



## Chapter 43 – Container Crime

UN statistics show that an estimated 500 million containers are transported annually around the world with only about 2% inspected at various stages of the shipment, which allows an opportunity for smuggling of weapons, drugs and other contraband. To mitigate such crime, the UN Office on Drugs and Crime (UNODC) and the World Customs Organization (WCO) initiated a Container Control Programme (CCP) in 2005. This programme provides a platform for all nations involved in trade to cooperate in fighting crime related to container traffic by involving entities such as customs, the police and port authorities. Crime prevention is managed through exchange of information, ensuring all personnel involved are trained to the same standards and follow a standardised approach.

The figures for cargo theft are estimated to be around US\$30 billion per year and are forecast to continue to increase by 8% every year. The typical locations for this type of crime are at ports, terminals or during road or rail transport. There is less of a risk while the container is on board a ship, but ship operators often find that they are the focal point of a claim. This is due to the fact that:

- The operator may accept containers on board without actually checking the seal
- the contractual terms of the B/L provides coverage from door to door
- their assets are often more easily accessible than those of other parties.

Whatever type of container is used, its safety relies on its own security safeguards and those in place throughout its journey.

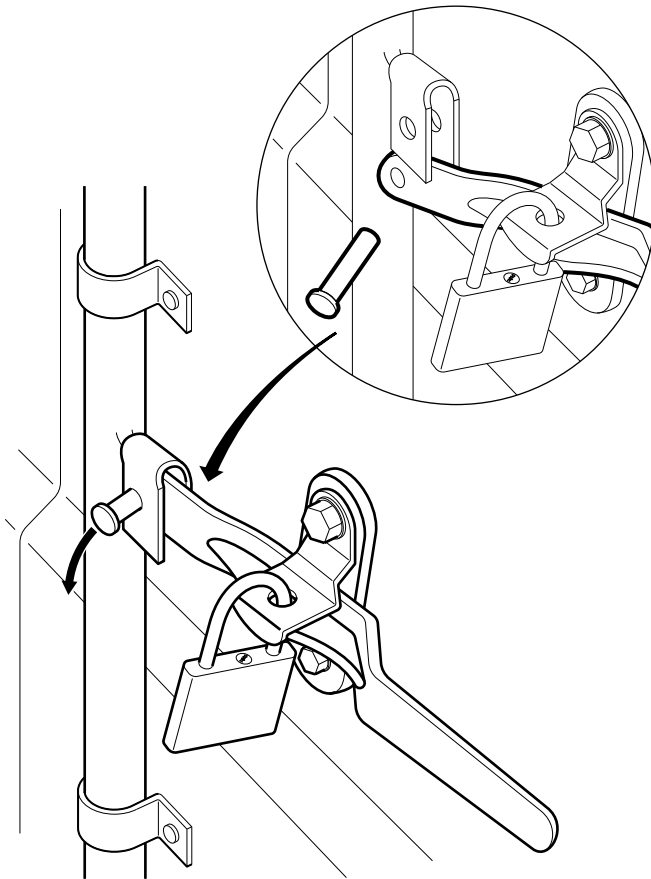
The introduction of containers was a technological advancement in the safe movement of cargo and it has had a major impact on the reduction of cargo pilferage. However, this type of transport has become a significant asset for organised crime, primarily due to the cargo involved, which offers substantial profits with minimal chance of detection.

Cargo in transit has always been the subject of crime. The distance involved in this type of movement, combined with the various handling procedures in place during the journey, presents a major obstacle to container security and it is extremely difficult to identify where a theft occurred and who carried it out. This is obviously very important when a B/L provides a door to door service.

If a container is correctly stuffed and its doors secured, there are only three ways in which unlawful entry can be gained:

- The removal of a section of the container's body
- interference with the seals on the outer container door
- interference with the container doors. The weakest links tend to be the pivot rivet connecting the door handle to the handle hub, the rivet to the swivel seal bracket and the rivets on the door hinges.

The presence of a seal on a container may provide evidence that its cargo has remained secure throughout its journey, but it is not an anti-theft device. Fortunately, there have been significant advancements in the design of seals to increase deterrence against the loss of cargo from containers while in transit.



**Figure 43.1: Partly removed pin on sealed door handle.**

However, these improvements alone will not prevent an attack on a container because, if given the time, the opportunity and the tools, a criminal can remove virtually any seal or section of a container's door. The extent to which a seal offers protection is dependent on the system into which it is introduced.

For this reason, it is important that B/L issuers are satisfied that the procedures in place throughout a container's movement meet their requirements. Any discrepancies noted in the figures for container weight might be a good indication of loss of container contents, so the mandatory container weight verification requirement on shippers should be utilised. The IMO Guidelines categorically specify that the shipper named on the B/L is responsible for providing the container's verified gross mass. This requirement is likely to make stealing the entire contents of a container impossible provided the requirements are complied with diligently, particularly if the mechanism implemented requires the container to be weighed immediately prior to being loaded on the ship.

It is not only weight but also contents that need to be correctly identified to enable the crew to deal with any potentially hazardous goods in a safe manner. It has long been considered a problem in the container ship industry that shippers make false declaration of contents to avoid paying the extra charges associated with the carriage of dangerous goods.

In many instances, improved security procedures have reduced the opportunity of a loss occurring at a port or terminal, but they have not prevented the criminal from identifying a suitable cargo to steal once it has left that location.

There is, therefore, a need to constantly review procedures, for example, by working through the following checklist:

1. Have you received correct documentation that verifies a container's correct weight as required by SOLAS?
2. Are you satisfied that a container was correctly secured before departure from the shipper's premises?
3. Are you satisfied with the haulier contracted to move a laden container on your behalf?
4. Do they use sub-contractors? If so, are they suitable to undertake this work?
5. Are transport instructions issued to the haulier?
6. How efficient is the checking procedure of a container on its arrival at a port?
7. Is there a physical check prior to a container being loaded onto a vessel?  
(Weakness in the system, often due to operational or financial constraints, is constantly exploited by criminals, who remove cargo prior to loading.)
8. Is the seal physically checked when the container is offloaded at the destination port?
9. Is the seal checked when the container leaves the port?
10. Is there a procedure in place should there be an alleged irregularity on delivery? It is important whenever there is a potential loss that:
  - the seal sections are retained
  - special attention is given to the container's doors, in particular as to whether there are any different shaped rivet heads or signs of repainting.

Any irregularity should be noted, with consideration given to a surveyor's examination. It is imperative that a carrier's agent complies with the cargo release terms, which generally require presentation of the original B/L.

On occasion, agents show a lack of judgement in not complying with the release terms, but take an alternative approach without first obtaining the required authority. Such action usually relates to:

- A consignee's letter of credit
- a consignee's letter exonerating the agent from their action
- a bank guarantee confirming that sufficient funds exist in an account on a specific date
- agreement between agent and receiving party
- shipper's extended credit facility, minus the authority to release the cargo.

## 43.1 Drug Trafficking

During the last decade, the use of containers on board ships to illegally transport drugs has become the most common form of drug trafficking. It is estimated that 750 million containers are shipped every year, but approximately only 2% of these containers are inspected. South American countries, such as Brazil, Colombia, Peru and Bolivia, have extensive drug trafficking networks, and organised crime leaders often infiltrate ports, harbours, shipping companies and ship's crews in order to take advantage of this growing trend of mass cocaine shipments by sea. The drugs are primarily exported to Europe, but due to container ship trade can be delivered worldwide easily.

There are several different methods for drug trafficking. These include:

- **'Within the load'** – this method requires drug traffickers to own/run smaller companies that export products regularly. They hide the cocaine within their regularly traded products, in various forms. Anything from regular bricks of cocaine, to hollowed out fruit and hazardous chemical barrels have been discovered using this method. Suspicious trading patterns and irregular business methods have led to an increase in inspections of smaller companies attempting this method, which in turn drove drug traffickers to seek alternative means
- **'container contamination'** – this requires drug traffickers to have access to the loading port areas where the containers are located. This can be done in person, but is more likely achieved using mules or paid dock workers. The port workers find the required containers, break the customs seal, fill the container with the drugs to be shipped and replace the seal with a replica. This is a much more difficult method to detect as seals appear to remain in place throughout the voyage, however it can be detected via the weight difference of the container
- **'within the container structure'** – there has been an increase in the number of drugs found hidden within the walls, floors and ceilings of the container itself. This reduces the risk of drugs being discovered hidden within regular products and can be even harder to detect. However, they are still not hidden from x-ray machines, which is the main counter to this method of trafficking.

This method requires the use of dock workers or personnel within shipping companies themselves, and often occurs after an initial customs inspection, just prior to the final loading onto a ship.

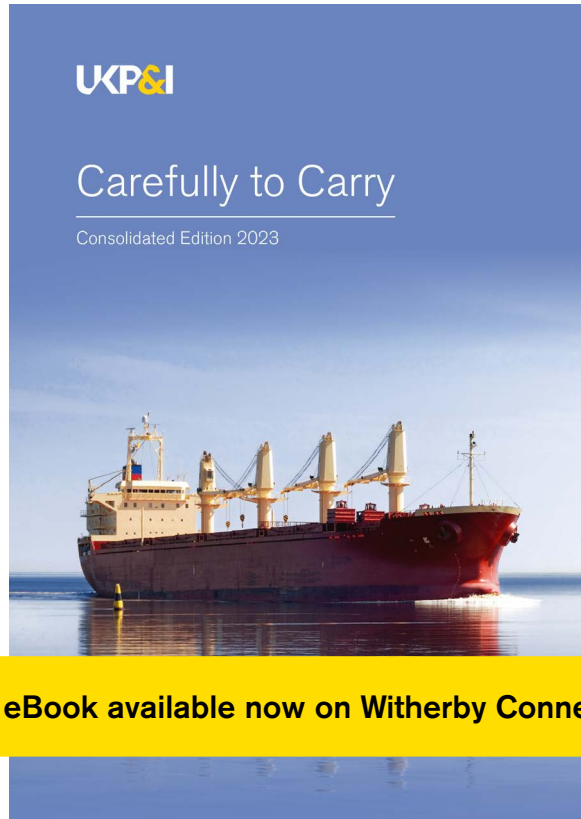
- **'drop off'** – smaller drug boats approach the vessel whilst underway, usually at night, and have the crew haul the products on board. The crew then store them in the containers on board. The following case study illustrates this method.

### 43.1.1 Case Study

In June 2019, the MSC *'Gayane'* container ship was boarded by federal agents in the port of Philadelphia, who spent several days using narcotics sniffer dogs, x-rays and fibre optic cameras to inspect thousands of containers on board. Seven containers were found to contain cocaine, totalling 20 T – one of the biggest seizures in US history. The investigation determined that drug traffickers had paid two of the crew members 50,000 euros to bring cocaine bricks on board from 14 smaller boats, then store them in the containers. The 14 boats approached the ship during the night off the Peruvian coast.



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