



## COMMERCIAL CRIME **CASE STUDY**

Provided by Camargo Insurance

# Heist of **100K Eggs** Highlights the Growing Risk of **Cargo Theft**

In February 2025, local authorities confirmed that 8,000 cartons holding nearly 100,000 eggs had been stolen from the back of a semi-trailer for Pete & Gerry's Organics, a national egg production company that partners with over 300 farms across the United States. The incident occurred on a Saturday evening while the stocked semi-trailer was parked at one of the company's distribution facilities in Greencastle, Pennsylvania.

Although state police are currently investigating to find the perpetrators behind this incident, the damage has already been done; the eggs are unlikely to be recovered due to their relatively short shelf life. The stolen goods, valued at **\$40,000**, may have considerable impacts on domestic food suppliers and consumers.

This incident is particularly alarming given the already fragile state of the country's egg supply chain. Egg prices have reached record highs, primarily due to supply chain shortages caused by widespread transportation delays, extreme weather conditions, and a surge in bird flu outbreaks that have affected hundreds of flocks and killed millions of commercial egg-laying hens, according to the U.S. Department of Agriculture (USDA). What's worse, this isn't the only incident of egg theft in 2025. Several other incidents, albeit smaller in scale, have occurred in recent months. Looking ahead, bird flu will remain the main factor affecting egg prices. However, rising theft concerns and supply chain challenges are expected to continue to contribute to increased costs in the coming months, with the USDA projecting that egg prices may rise by more than 40% throughout the year.

Altogether, this incident showcases the serious vulnerabilities in modern supply chains and underscores the broader issue of cargo theft, which has become increasingly prevalent for businesses across industry lines. As such, it's important for businesses that transport goods between different locations—no matter the distance—to be aware of notable cargo theft cases and take steps to prevent similar incidents. In doing so, businesses can better safeguard their goods in transit, minimize related supply chain disruptions and protect their own operations against large-scale losses. This document explains the growing threat of cargo theft, outlines other incidents involving such theft and their ramifications, and highlights associated risk management measures for businesses to consider.



## Cargo Theft Risks on the Rise

The incident at Pete & Gerry's Organics is just one example of a much larger trend. The past few years have seen a surge in cargo theft, largely due to increased organized crime since the onset of the COVID-19 pandemic.

According to recent research conducted by multinational data analytics company Verisk, North America reported a record-setting **3,625 cargo theft incidents** in 2024, reaching nearly \$455 million in valued losses. These findings represent a **27% jump** in theft frequency compared to the previous year.

Among these incidents, the most targeted states were California, Texas and Illinois, accounting for almost half (46%) of total thefts. Across all locations, the most vulnerable properties were warehouses, distribution centers and truck stops.

Commonly stolen commodities include certain raw construction materials (e.g., copper), electronics and related hardware, clothing, pharmaceuticals, and food and beverages. These items are typically chosen because they are in high demand, which allows criminals to easily resell them on the black market. Also, such commodities are both portable and difficult to trace, making them more attractive to thieves.

Compounding concerns, Verisk reported that the value of goods stolen in a given shipment has risen since last year, with the average cost per theft increasing by **7.7%** and amounting to over **\$200,000**.

As a whole, cargo theft can significantly strain affected companies' operations, contributing to major supply chain disruptions, financial losses, eroded customer trust and lasting reputational damage.

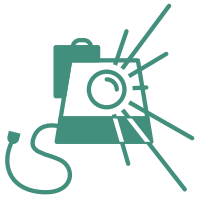


## Other Incidents of Cargo Theft

In addition to the recent egg heist impacting Pete & Gerry's Organics, a number of businesses across North America have experienced cargo theft incidents over the years, emphasizing the growing risk to supply chains. Here are some of the most noteworthy cases and their related ramifications:



**The Nike sneaker heists**—Between March 2024 and January 2025, multiple groups of criminals conducted a series of heists by targeting freight trains running through desert regions of California and Arizona. These trains were stocked with thousands of sneakers from athletic apparel company Nike. Some of the stolen goods were part of upcoming product releases (i.e., Air Jordans), driving up their total value. The thieves leveraged various tactics to conduct these heists; some incidents stemmed from the brakes or air hoses on the trains being tampered with, while others involved the criminals following the trains in getaway vehicles and looting the rail cars at remote stops along their designated routes. In total, these heists resulted in the theft of more than 2,000 pairs of sneakers, costing over \$2 million in losses. While local authorities were able to recover some of the stolen goods through Internet of Things (IoT) tracking devices planted within the looted shipping containers and apprehend 11 individuals involved in the heists, a considerable amount of sneakers and several perpetrators remain at large.



**The Flycatcher toy scam**—In November 2024, warehouse operator Shipfusion was in charge of coordinating multiple shipments of high-tech toy company Flycatcher’s products for delivery to a distribution center for major retailer Walmart ahead of Black Friday weekend. Shipfusion consulted shipping broker US Logistics to handle this request. The latter company contracted two seemingly legitimate transportation firms to complete the job, providing a route from Las Vegas to Atlanta. While three semi-trucks showed up to transport the merchandise—12,600 toy projectors valued at a total of \$1 million—these vehicles never made it to their final destination, leaving Flycatcher and several other parties in its supply chain with substantial losses ahead of a holiday weekend known for generating extra profits. In the coming weeks, the toy projectors appeared on a range of third-party e-commerce platforms at discounted prices, indicating that the initial shipments ended up in the hands of thieves. An investigation by local police and the FBI revealed that a sophisticated crime ring had impersonated trusted transportation firms to secure the bid of delivering the shipments, diverting from the provided route after retrieving the merchandise and eventually selling the toys for their own profits. Flycatcher has since filed a series of lawsuits against different parties involved in the incident to reimburse its losses. This incident shed light on the rising risk of identity fraud being utilized to deploy advanced cargo theft scams.



**The Santo tequila hijacking**—Also in November 2024, spirits company Santo had two truckloads of its flagship product stolen in Texas as it was being transported from a distillery in Mexico to different warehouses in California and Pennsylvania. The incident arose when Santo’s trucking partner Johanson identified some “red flags” in the GPS tracking signals coming from the two semi-trucks while on the road, with neither vehicle reaching its destination. Upon investigating the incident, Johanson uncovered that the vehicles had been “illegally double brokered” and hijacked along their routes, with the criminals responsible using deceptive GPS software to spoof their locations in transit. The stolen goods consisted of over 4,000 cases holding more than 24,000 bottles of high-quality tequila, including an añejo that had been carefully distilled and aged in oak barrels—a process that takes three years to complete. The missing shipments are valued at \$1 million, but the incident is projected to cost Santo far more as it takes additional time to replenish its product.

## Risk Management Considerations

Although the specific details of the aforementioned cargo theft cases vary, these incidents all have at least one shared component: they stem from thieves exploiting the target company's security weaknesses. With this in mind, it's crucial for businesses to implement adequate risk management measures to avoid cargo theft. There are several steps that businesses can take to deter thieves and minimize cargo theft cases, including the following:



**Conduct risk assessments.** First and foremost, businesses should carefully assess their operations to identify their specific cargo theft exposures. These exposures may vary based on the nature of a company's supply chain, its merchandise, the method of transportation leveraged to move these goods, and common shipment routes and destinations. Upon conducting such risk assessments, businesses can determine potential vulnerabilities, make necessary operational adjustments and develop detailed contingency plans for different cargo theft scenarios. Businesses should update these risk assessments regularly, particularly when making any alterations to their supply chains, products or shipment practices. Additionally, businesses should remain informed on evolving regional hot spots for cargo theft, modifying their routes (if possible) to reduce their exposures.



**Enhance security practices.** There are a variety of security measures businesses can utilize to deter criminals from committing cargo theft and limit related losses if these incidents occur. These measures may include equipping shipments with advanced GPS software to track their

locations in real time, safeguarding cargo units with high-security locks and seals, installing surveillance systems and alarms throughout production and distribution facilities, and following in-depth vetting and communication protocols when contracting trucking companies to transport merchandise. Businesses should also implement strict access controls for all parties in their supply chains, especially those involved in moving freight, and require them to uphold certain security practices (e.g., parking stocked vehicles in safe locations and using IoT to continuously monitor shipments).



**Educate employees.** Businesses should train their employees on the potential risks of cargo theft and related prevention measures, emphasizing the importance of following security protocols and staying vigilant against thieves. This training should occur on a routine basis and include realistic drills to help employees familiarize themselves with their designated roles and responsibilities amid different contingency plans. As new cargo theft threats arise, businesses should update their training regimens to adequately address the latest exposures.



**Consult the experts.** Businesses don't have to navigate their cargo theft exposures alone. They should form strong relationships with local authorities and industry groups to receive tailored guidance and assistance in managing their particular risks. These experts can also provide businesses with updates on recent cargo theft incidents and other suspicious activities happening in their areas, offering insight into managing emerging scams and preventing similar losses.



**Secure ample coverage.** On top of implementing effective risk management tactics, businesses should contact trusted insurance professionals to explore different coverage options that can help mitigate the financial fallout from cargo theft incidents. Possible policies to consider include commercial crime, inland marine and specialized motor truck cargo insurance. When securing such coverage, businesses should confirm that their policies apply to a wide range of cargo theft scenarios. It's also imperative for businesses to review and update their insurance selections frequently, making sure these policies include coverage limits that accurately reflect cargo values.

## Conclusion

As evidenced by the incident involving Pete & Gerry's Organics and similar cargo theft cases, transporting goods poses a range of risks for businesses. By reviewing these exposures, businesses can better understand the potential ramifications of cargo theft and implement necessary risk management measures to help prevent it, ultimately protecting their operations while limiting major losses. Yet, even with these measures in place, cargo theft incidents may still occur. In such cases, having sufficient insurance coverage can provide businesses with much-needed financial protection for the associated losses.

Contact us today for more risk management guidance and coverage solutions.