





# INSIDER RISK SHIPPING INDUSTRY

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## HIGHLIGHTS

In August 2023, Dutch prosecutors confirmed the largest-ever individual seizure of cocaine smuggled through the port of Rotterdam: more than 8,000 kilos amounting to €600 million. Europol has identified corrupt insiders across supply chain events as key enablers for the criminal infiltration of ports. Smuggling without the help of insider is impossible. Shipping companies are not the only organisations which criminal organisation target, ranging also to custom officers. A lack of thorough screening and provisions for data access are facilitating the presence of insiders.

## KEY FACTS

-  In global ports, only 10% of containers originating from South America are inspected. 2% of all containers are inspected.
-  Coordinators of extraction teams who supply information to criminal organisations can receive up to 15% of the illicit load's value.
-  The total value of seized cocaine alone in Rotterdam's port in 2021 reached €3.5 billion.
-  In 2021, 452 drug extractors were caught and arrested at Rotterdam's port alone.

## ABOUT US

As a leading insider risk firm, we secure employees and organisations via a holistic approach towards insider risk management, vested in the best practices from across the globe. With our team of experts, we implement tailored solutions addressing every organisation's unique security challenges.

## WHAT IS INSIDER RISK?

Insider risk refers to the potential for employees, contractors, or other trusted individuals within an organisation to intentionally or unintentionally cause harm, such as data theft, sabotage, or fraud. This risk stems from their authorised access to sensitive information, systems, or assets. Effective insider risk management combines proactive measures and employee training to safeguard the organisation's resources and reputation.



Criminal networks infiltrate ports and shipping companies, coerce insiders, and make use of violence to smuggle hundreds of tonnes of drugs and illegal goods into the EU. The main way in which the shipping industry is targeted is through the corruption of shipping companies' personnel, port workers, importers, transport companies, and representatives of national authorities.

The prevalent Modus Operandi currently employed is the misappropriation of container reference codes, or PIN code fraud, which requires the corruption of the extraction teams.

## Today's Challenges

- The ocean freight shipping industry represents the strongest **backbone of international trade**. Over 90% of world trade is carried out through freight shipping.
- **Supply Chains** in the shipping industry are composed of numerous players and interconnecting systems. As such, criminal organisations make use of corrupt insiders across various stages in the supply chains. Criminal organizations rely on the corruption of large numbers of accomplices throughout various stages of the shipping industries' supply chain.
- The maritime industry and its ports are also increasingly vulnerable to **cybercrime and cyber espionage**. The Danish Royal Centre for Cyber Security has outlined the threat from cybercrime and cyber espionage as very high. Several state-affiliated hacker groups seek to garner competitive advantages and insights into strategic intentions for fractional costs. Increased training on these aspects will have to be rolled out to employees who may be socially engineered.

## Rising Tides

- The growth of global e-commerce and trade more broadly is increasing the stress that is placed on the shipping industry in terms of volume. Coupled with low inspection rates, standing at around 2% of all containers worldwide, criminal organisations see this as an opportunity.
- With the rising economic challenges raising personal and professional stressors, employees of ports, customs, and shipping companies are increasingly vulnerable to the lucrative share they are offered to facilitate illicit activities in ports. This can reach a staggering 15% of the total value of illicit goods.
- The increasingly advanced digital technologies have presented new risks and challenges for law enforcement and shipping companies. Increasing automation creates a new set of vulnerabilities for data breaches which must be countered by strong cybersecurity and internal security procedures.
- The maritime industry is considered as one of the most physically demanding and dangerous environments posing further potential hazards to companies from within. This includes the increased risk for human error, but also workplace violence. 8% of all seafarers report incidents of bullying weekly, whilst 22% of all men and 45% of all women have been exposed to offensive actions or harassment over a 12-month period.
- The interaction between corruption and workplace violence is an important factor to be considered. The drug trade is inherently linked with intimidation, threats, bribery and violent deaths. This has also created fears for prospecting employees or current employees who decide to find jobs in other sectors. This increases stress further on remaining employees forced to work overtime to compensate for the lack of personnel, increasing their vulnerability to bribery.

Act Now: Insider Acts are growing in occurrence in the shipping industry, costing businesses in revenue, reparations and reputation. Protect your organisation from internal threats with our robust insider risk management solutions at Signpost Six. Don't delay, contact us today to fortify your defences and safeguard your trustworthiness.