LOSS PREVENTION

IAT GROUP
Introduction
Cargo protection requires thorough planning to be effective and remain effective through changing conditions. Cargo security is a function of physical security measures, procedural controls, management resolve, and the use of uniform security controls and procedures by all entities that handle a shipment along a route.
This section of the loss control guide describes the general causes of cargo losses and offers guidelines for minimizing the risk of such losses.

Individual safety responsibilities for both management and employees are included and considered necessary to minimize loss potential.
Steps can be taken to ensure maximum transport and storage security.

A definite record should be maintained that identifies the vehicle on which goods are placed, who loaded it, the driver involved, who unloaded it, dates, amount or number of pieces, etc.

Many of these details can be found on the Bill of Lading. Warehouse lot control systems must also work in the same manner.

Information can be found on the warehouse receipt.

With these details a mover can better cope with shortage problems and apply corrective measures.
THEFT AND PILFERAGE

Adequate vehicle security measures should be in force at the loading dock, office, and warehouse.

Use of seals, locks or burglar alarm devices on vehicles are helpful.

Unattended vehicles with body doors open or with keys in the ignition are invitations to theft.

Also, consider the use of kingpin locks if loaded trailers are removed.

In the warehouse, admittance control, motion detectors and surveillance cameras are good deterrents.
IMPROPER HANDLING, LOADING, UNLOADING OR STOWING

All cargo must be adequately secured, covered, padded, blocked, chocked and shielded to prevent shifting and bumping during transit and storage.

Moving equipment should be used properly (dollies, hand trucks, pallet jacks, etc.) and assistance requested when needed.

Cargo that is large, heavy, or has other unusual handing characteristics should be given special consideration.

Personnel involved in moving such equipment should be informed of it’s location in the load or warehouse, it’s characteristics, and special handling requirements.
CONCEALED DAMAGE

Light or fragile cargo should be loaded so as to minimize damage and movement within the vehicle both during transport and storage.

Care should be taken to comply with any special warnings or instructions such as labels reading “This Side Up” or the like.

Any goods or containers showing obvious signs of damage, especially those packed by the customer should be documented and the conditions acknowledged in writing by the customer.
DEFECTIVE EQUIPMENT

Equipment should be suitable for moving the specific cargo. Vehicles and warehouses not designed for transportation and storage of goods can lead to additional security issues and damage.

Defective equipment can also result in potential losses.
- This is especially true for cargo requiring the use of a forklift truck.

A regular preventive maintenance program for vehicles and auxiliary equipment (i.e. carts, ramps, lifts, and temperature controls for storage of electronic media/similar record storage) should be implemented.
Management Practices

Individuals responsible for cargo management and safety must enforce security, training, and maintenance procedures. The responsibilities outlined below are general guidelines for developing customized procedures.
Security

- Designate an individual responsible for the overall security program
- Establish written security procedures for all personnel
- Incorporate the security program into employee orientation and training/education
- Establish procedures for personnel identification and control
- Train personnel in proper documentation and security of shipping documents
- Maintain strict accountability of cargo at all stages of handling, including overages, shortages, and damaged items
- Establish written special security procedures for high-value cargo on a need-to-know basis
- Allow for continuous monitoring/feedback and adjustment of the security program.
TRAINING

- Designate an individual responsible for a formal training program
- Establish written instructions for operation/maintenance of equipment, cargo handling, proper documentation and flow of shipping documents
- Establish a formal ongoing employee and driver training program that includes general procedures, paperwork, and communications
- Maintain and monitor drivers and cargo handlers records to identify instructional training needs
- Evaluate personnel performances periodically
VEHICLE EQUIPMENT MAINTENANCE

- Designate an individual responsible for a maintenance program
- Establish requirements for qualifications and training of individuals responsible for maintenance
- Maintain a current inventory of all equipment to ensure proper maintenance
- Establish preventive maintenance requirements and procedures for all equipment, referring to manufacture’s operating and maintenance manuals
- Inspect equipment regularly and maintain records to monitor compliance with procedures
- Ensure drivers complete daily pre-trip and post-trip inspections and provide feedback to maintenance personnel
FIRE PREVENTION

Fire prevention is an important but frequently overlooked consideration in the moving and storage industry. While theft and pilferage may represent more recognized loss exposures, a fire has the potential to totally and permanently disrupt operations.

Responsible management, suitable terminal/warehouse construction, adequate fire protection and proper storage arrangements are critical factors in any program to reduce or eliminate losses.
A fire protection program should be developed to prevent or reduce losses. The program should include the following:

- At a minimum, personnel trained to use portable fire extinguishers
- For facilities with automatic sprinkler systems, minimum quarterly service contract with outside vendor
- Pre-emergency planning incorporating fire department familiarization, salvage operations and alternative storage sites
- Adequate and regularly scheduled facility maintenance (daily, monthly, quarterly, annually)
- Control of housekeeping, welding/cutting, and smoking (no smoking policy, no smoking signs, and designated smoking area)
YARD STORAGE

- All areas should be provided with adequate lighting, fencing, and watchman service and/or camera supervision
- Yard storage should be adequately separated from all buildings to prevent fire spread
NON-TERMINAL OPERATIONS

- Written vehicle maintenance programs should be instituted and strictly followed to prevent fuel systems, brake lining and tire fires
- Suitable fire extinguishers should be provided in vehicle cabs to control small fires
- Driver training programs should include handling of basic over-the-road fire hazards
- An accurate manifest or bill of lading should be in the driver’s possession to aid local firefighting operation
WAREHOUSE

- Establish a security program and designated security manager
- Install central station monitored alarm system, or provide watchman services reporting to central station
- Segregate high value property from general merchandise in a confined area restricted to personnel cleared to handle such property.
- Park trucks and trailers with compartment doors flush against building walls
- Keep keys in secure area and limit use to designated employees
- Keep outside terminal area well lighted and fenced with one entrance to control access
- Employees should be advised to challenge strangers that enter the loading dock
- Drivers should be restricted to designated dock areas
- Employee and visitor parking areas should be located outside the cargo handling area
- Limit number of employees that have access to shipping and receiving information
- Conduct frequent dock check by matching freight with its paperwork
Liquid propane (LP) gas forklifts are used at many locations for material handling. The greatest potential fire source for LP gas forklift trucks are fuel leaks ignited by engine heat, the ignition system or other electrical equipment. Fuel leaks occur due to improper refueling practices or defective cylinders. The following procedures should be followed to minimize potential fire hazards:
Forklift Safety Training - The purpose of forklift safety training is to prevent accidents that may be caused by the improper and unsafe operation of a forklift.

- Only trained and designated personnel should refuel or exchange LP gas cylinders
- Preferably cylinders should be exchanged or refueled outside
- Engines should be stopped and the operator off the truck during refueling
- The gas cylinders should not be over filled, this can lead to a release of gas through the relief valve
- A soap solution can be used to check for possible leaks
- Smoking should be prohibited
- LP gas cylinders should not be thrown, dropped, rolled or dragged
- Reserve containers should be transported with service valves closed
- Forklifts should not be stored near sources of heat
FORKLIFT REFUELING

- If containers must be refueled or exchanged indoors the following precautions should be taken to minimize the escape of fuel:
  - Close the valve on the LP gas container and use an approved automatic quick closing coupling in the fuel line (a type that closes in both directions when uncoupled)
  - When a quick coupling device is not used, the fuel line should be emptied by allowing the engine to run until the fuel in the line is consumed
Electric forklifts are also used at many locations. During charging, electric forklift batteries give off hydrogen gas. In certain concentrations gases can be explosive. Therefore battery charging operations should be conducted in a designated area having adequate ventilation.
A clean warehouse is a safer place to work. A dirty floor can be an accident just waiting to happen. Oil spots, sawdust, and dust all add to the problem. And, because of its size a warehouse can become cluttered and it is hardly noticed. These are the reasons for a weekly inspection of all warehouses and facilities. Take the person responsible for each area with you and point out the problems that need correction. Note the corrections to be made on your personal note pad so that you can re-inspect the following week. Use this system and you can be sure that progress will be made. Your facility will become a show place for customers to visit and inspect. A clean facility will get you more business!!
HOUSEKEEPING

- Ensure all places of employment, passageways, storerooms, and service rooms are kept clean and orderly and in a sanitary condition.

- The floor of every workroom shall be maintained in a clean and, so far as possible, a dry condition. Where wet processes are used, drainage shall be maintained, and false floors, platforms, mats, or other dry standing places should be provided where practicable.

- To facilitate cleaning, every floor, working place, and passageway shall be kept free from protruding nails, splinters, holes, or loose boards.
**HOUSEKEEPING**

- *Aisles and passageways* - Where mechanical handling equipment is used, sufficient safe clearances shall be allowed for aisles, at loading docks, through doorways and wherever turns or passage must be made. Aisles and passageways shall be kept clear and in good repairs, with no obstruction across or in aisles that could create a hazard.

- Permanent aisles and passageways shall be appropriately marked.

- Covers and/or guardrails shall be provided to protect personnel from the hazards of open pits, tanks, vats, ditches, etc.
**Floor loading protection** - In every building or other structure, or part thereof, used for mercantile, business, industrial, or storage purposes, the loads approved by the building official shall be marked on plates of approved design which shall be supplied and securely affixed by the owner of the building, or his duly authorized agent, in a conspicuous place in each space to which they relate. Such plates shall not be removed or defaced but, if lost, removed, or defaced, shall be replaced by the owner or his agent.

It shall be unlawful to place, or cause, or permit to be placed, on any floor or roof of a building or other structure a load greater than that for which such floor or roof is approved by the building official.
SAFETY TRAINING

An office that has a good safety training program will have fewer accidents and less claims. That has been proven time and again. A good safety program must start with “new hire safety orientation”.