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LOJACK SUPPLY CHAIN INTEGRITY RELEASES FIRST ANNUAL CARGO THEFT STUDY

*Results Based on Data from Company's SC-ISAC, the Industry's Only Supply Chain
Information Sharing and Analysis Center*

FORNEY, TX – April 9, 2009 –LoJack Supply Chain Integrity (LoJack SCI) today released results from its first annual cargo theft study, which is based on information the company collected and analyzed from its members in 2008 via its Supply Chain-Information Sharing and Analysis Center (SC-ISAC). The SC-ISAC is the only source for information and analysis sanctioned by the government that helps the supply chain community and law enforcement protect the supply chain from illegal and disruptive activities, such as theft, terrorism and natural disasters.

The data is based on reports provided by SC-ISAC members, which currently totals more than 1,500 users from nearly 600 organizations. According to the data reported, a total of 353 incidents occurred in 2008. Cargo theft was the most dominant activity with 299 cases.

“We’re pleased to furnish the results of our first report, which is in line with our mission to provide members with information that helps protect their businesses from disruptive breaks in the supply chain and make informed decisions that preserve integrity within the chain,” said Robert Furtado, LoJack SCI’s Chief Executive Officer. “As this study reveals, cargo theft is a serious, ongoing problem that is very profitable for professional thieves and very costly for organizations throughout the supply chain. Especially in

today's economic climate, companies cannot afford to pay the exorbitant price tag involved with having their cargoes stolen, which range from the actual value of the goods, to business downtime, to the loss of opportunities to market and sell seasonal goods, to the total loss of product sales. This report clearly highlights the need for solutions that protect and preserve our global supply chain.”

The State of the State: Top 10 States with the Highest Cargo Theft Rates

According to the data reported, following are the top 10 states with the highest incidents of theft:

<u>State</u>	<u>Number of Incidents</u>
Texas	68
Georgia	53
Tennessee	18
California	16
Florida	16
Ohio	10
Arkansas	9
New Jersey	9
Alabama	8
North Carolina	8

Location, Location, Location: Where Cargo Theft Most Often Occurs

Based on reported incidents of theft, following are the most common locations where cargo was stolen in 2008:

<u>Location</u>	<u>Number of Incidents</u>
Truck Stops	83
Parking lots (including drop yards)	67
Facilities	40
Parked on Street	28
Warehouses	21
Store Locations	16
Other* (see list below)	11

*airports, casinos, ports, hotels

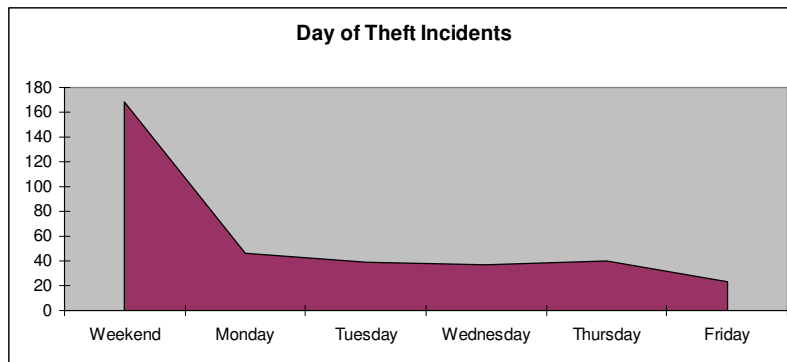
A significant number of thefts (87) were reported without details on theft location; however, it is most likely that the same dispersal of locations would apply to those incidents as well.

Timing is Everything: When Cargo Theft Occurs

Not a surprise to law enforcement or most victims of theft is the fact that weekends (Saturday and Sunday) are when the greatest number of thefts occur, with 168 incidents happening during this timeframe.

Below is a breakout of theft activity by day of the week:

Day of Week	Number of Incidents
Saturday/Sunday	168
Monday	46
Thursday	40
Tuesday	39
Wednesday	37
Friday	23



Top Stolen Cargoes: Food, Pharmaceuticals and Scrap Metal are More in Demand than Music/Movies/Software

Food was the most often stolen cargo at 13 percent of the incidents reported to the SC-ISAC. It was closely followed by pharmaceutical/medical and building supplies, both of which came in at 12 percent. The unusually high percentage of building supplies thefts may be due in part to the rise in copper prices and the lack of oversight on the origins of scrap materials. Recently enacted laws addressing ownership of materials for recyclers may help to reduce this current theft trend. Also surprising was the fact that the music/movies/software category came in at only one percent of incidents reported.

“According to our analysis of the data, food and drugs are essentials that are always a target of thieves, but especially so in a depressed economy,” said Furtado. “That may explain why those items topped the list, while ‘nice-to-have’ items like music, movies and software came in at only one percent. The bottom line is that whether economy is good or challenging, it is critical for a company to protect its cargo.”

LoJack SCI’s Cargo Protection Tips: Information is Key

Below is LoJack SCI’s advice on how to protect equipment and businesses from the costly problem of theft:

Understand the Issue: Information Goes a Long Way

There are a variety of steps organizations can take to preserve the integrity of the supply chain and protect their company and goods. For example, organizations should be aware of latest crime methods used by organized criminals, specific areas that are targeted by criminals and products that are particularly vulnerable to theft. Sharing that knowledge with everyone involved in the supply chain further enhances the protection process and helps to preserve the chain. Below are a few ways to expand knowledge about theft issues:

- Participate in industry regional supply chain security councils
- Network at law enforcement/cargo theft task force functions
- Join and participate in National Transportation Security organizations
- Participate in the SC-ISAC

Establish/Strengthen Your Company’s Security Operations: An Ounce of Prevention...

Making certain your company has a strategic plan to safeguard its cargo throughout the supply chain is integral to helping protect your organization’s profitability. If your company does not have a supply chain security operation, work to build one:

- Review high value shipper security requirements and government compliance guidelines
- Develop corporate supply chain security guidelines; draft a written security plan

- Contact your insurance carrier about any resources they may be able to offer to assist you in developing a supply chain security strategy
- Evaluate and regularly audit your transportation partners to ensure that they are following proper supply chain security guidelines; conduct a driver screening process to reduce incidents of “inside jobs”
- Establish contractual security requirements for supply chain partners; implement the plan with partners

Use Theft Deterrents and Proven Recovery Systems: Practice What You Preach

A layered approach to theft protection is the best means to ensure your cargo is safe from today’s thieves. Use measures such as:

- Make certain your trucks have immobilization devices such as wheel locks, fuel shut-offs, air cuff locks, ignition locks and stolen vehicle recovery systems so your drivers can leave their cargoes if necessary
- Consider installing battery-disconnect switches
- Use a proven covert cargo tracking, monitoring and recovery system such as LoJack SCI InTransit, which offers the latest in technology and is integrated with law enforcement to facilitate recovery

About the Study

The 2008 LoJack SCI Cargo Theft Study is based on incident information provided by 1,500 users from nearly 600 member companies of the SC-ISAC, in 42 states from January to December 2008. This is the first full year that LoJack SCI has been tracking this data and will continue to issue these reports annually to provide the industry with valuable statistics and trend information.

About LoJack SCI

Founded in 2004, LoJack SCI is the only company that provides a total integrated solution for supply chain protection—from information sharing and analysis to investigative intelligence to covert monitoring and recovery—making its solution the most complete in the industry. LoJack SCI is building an extensive, diverse community

of members—from private industry to law enforcement—who for the first time have a platform to share information and combat supply chain threats, making the company a powerful force in the market. In 2008, LoJack Corporation became a majority shareholder in LoJack SCI, bringing its venerable brand's resources, recovery expertise and law enforcement relationships to this innovative, emerging company. To learn more, visit <http://www.sc-integrity.net>.

For more information on the ISAC, visit <http://www.isaccouncil.org>.

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