

Questions for the Record from Senator Alex Padilla
Senate Judiciary Committee
“Beyond the Smash and Grab: Criminal Networks and Organized Theft”
Tuesday, July 15, 2025

Questions for Ms. Donna Lemm

- 1. From your vantage point in logistics, what upstream investments—such as in cybersecurity, GPS tracking, or personnel training—would do more to prevent cargo theft than increased federal criminal penalties?**

IMC Logistics already invests significant amounts of money and resources to strengthen our physical and cyber security and to protect ourselves from thieves. Along with developing and employing advanced cybersecurity protocols, we have also invested millions of dollars in surveillance equipment, vehicle barriers, tracking technology, engine immobilizers, SOS buttons for drivers, and guards. Despite our aggressive adoption of the most cutting-edge security technologies and practices, however, we still find ourselves as targets of cargo theft. Since 2021, my company’s cargo theft claims have surged by 17,520%.

Based on our experience, surveillance and security equipment on its own is insufficient to meaningfully deter these crimes. Over the past several years, cargo theft has evolved from a domestic enterprise into a sophisticated, international effort perpetrated by organized theft groups (OTG). Motor carriers cannot keep pace with the ever-evolving tactics employed by these thieves that threaten our freight and personnel. These types of organized and coordinated crimes require a coordinated law enforcement response.

OTGs have identified the glaring gaps between local, state, and federal law enforcement regimes as low-risk, high-reward opportunities to execute sophisticated fraud and theft schemes and remain undetected. Right now, these gaps allow OTGs to operate with little concern for law enforcement intervention or prosecution. We need greater enforcement and coordination if we are to have any hope in combatting these crimes.

- 2. Would federal grants to support modernization and coordination in the supply chain be a more cost-effective solution than creating a new DHS enforcement structure?**

No, I do not believe that federal grants aimed at improving the supply chain would be enough to truly combat cargo theft and supply chain fraud. Logistics companies have spent enormous sums to harden their infrastructure, yet OTGs are increasingly exploiting U.S. transportation and distribution networks with impunity because there is no concerted effort from the federal government to investigate and prosecute. Without those critical deterrence factors, criminals will continue to infiltrate our supply chains, profit off the vulnerability of American businesses, and fund other illicit enterprises with the money generated from fraud and theft schemes. This problem has been able to metastasize so quickly because there is no law enforcement structure that can address the issue. Creating the Organized Retail and Supply Chain Crime Coordination Center (ORSCCCC) will ensure that federal law enforcement is equipped with the necessary tools and direction to effectively combat this crime.

3. Under CORCA, logistics firms like yours would be required to share operational data with DHS. What concerns do you have about being deputized to flag consumer or shipment data to federal law enforcement?

The epidemic of cargo theft and supply chain fraud has reached a crisis point. The transportation industry recognizes that this problem cannot be solved by staying quiet, and they are eager for greater law enforcement involvement and assistance. IMC Logistics and our peers are ready to work with federal law enforcement so long as sharing information would result in greater collaboration and prosecutions. Empowering motor carriers to participate in cargo theft task forces and to report what is happening on the front lines is vital to improving the security of our supply chains. I would expect that when CORCA is signed into law, DHS will work with supply chain stakeholders to establish sensible protocols for handling any sensitive private sector information. Additionally, it should be noted that under CORCA, DHS and the ORSCCCC would be required to share information with industry as well. This would be incredibly helpful for so many supply chain partners that are being victimized by cargo thefts but don't know how those incidents may be related to what is happening to their counterparts across the trucking industry.

4. How would such mandates affect your ability to protect proprietary information, customer privacy, and employee data?

I appreciate your attention to this issue, because safeguarding the private data of our employees and our customers is of the utmost concern. Based on my reading of the legislation, I do not believe the collected information would be made public. I am ready and eager to engage with DHS and other federal agencies to tackle this problem, with the understanding that any proprietary or sensitive information shared in the pursuit of justice is properly protected in the same manner as any other sensitive information held by law enforcement.

5. What safeguards should Congress consider to prevent logistics companies from being put in a position where they're indirectly contributing to surveillance or immigration enforcement through data sharing?

Congressional action should direct agencies to effectively safeguard company and personnel data and focus on eliminating the specific problem of cargo theft that has been growing exponentially. The industry is willing to share data specifically to combat that problem, and to work with law enforcement to ensure that the most damaging freight fraud and cargo theft schemes are prioritized and targeted.

6. Do you believe the framing of cargo theft as a national security threat—used in CORCA—is appropriate, or does that risk over-policing what are often opportunistic property crimes?

Economic security is national security, and the unfortunate reality is that our national security has been compromised because OTGs and Transnational Criminal Organizations (TCOs) have successfully infiltrated our domestic supply chains and exploited enforcement gaps in the stream

of interstate commerce. While in the past these might simply have been opportunistic property crimes, we are increasingly seeing large-scale, sophisticated targeting and orchestrated thefts of goods throughout the supply chain. We need enforcement and resources to evolve if we are to meet the current threat.

The trucking industry and U.S. supply chains are both interstate and international by nature—goods cross state lines and move through ports of entry nearly every second of every day—which is why IMC and our supply chain partners are urging a federal response to the alarming rise of cargo theft across the country. Cargo theft in the United States is a \$15 to \$35 billion industry, according to the National Insurance Crime Bureau (NICB), and it will only continue to get worse if our federal government fails to act.

7. Are there opportunities for public-private partnerships that promote prevention, rather than enforcement, in addressing supply chain theft? If so, what role should the federal government play?

There are many organizations out there, both not-for-profit and private companies, that are dedicated to offering resources and information to prevent cargo theft and organized retail crime. All these entities are important and do great work; however, given the rise in thefts over the past several years, solely focusing on prevention is not enough. Criminals are becoming more sophisticated and evolving to stay ahead of any prevention measures stakeholders put in place. In other words, where there is a will, there is a way. Motor carriers want to participate in efforts to prevent cargo theft and engage with task forces to intervene and discourage these crimes. Without any substantial law enforcement deterrent, these criminals have no reason to stop finding new ways to steal cargo. The robust coalition of stakeholder support for CORCA is a testament to the breadth of U.S. industries that are impacted by supply chain fraud and theft. It should serve as an indicator of the severity of the problem. We are already investing substantial sums in prevention, and it is simply not enough.

8. What are the risks to small carriers or subcontractors under expanded federal enforcement models—especially those who may lack legal or compliance infrastructure?

Small motor carriers and subcontractors are just as much victims of cargo theft as larger companies in the transportation industry. They are also at a major disadvantage when attempting to deter cargo theft because they often lack the resources to invest in physical and cyber security measures. CORCA requires that the ORSCCCC create a mechanism for the receipt of investigative information on cargo theft incidents. So long as this reporting mechanism is not overly burdensome, especially relating to reporting timeframes, small carriers and subcontractors should benefit greatly under expanded federal enforcement models.