



STOLEN ALCOHOL

Best Practices for Beer Distributors

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Organized cargo and retail theft by sophisticated criminal enterprises have surged in recent years, posing safety risks and economic challenges.

The alcohol industry, including beer distributors, is increasingly targeted by criminal groups. Beverage and food products, including alcohol, were cargo thieves' top targets in 2025, accounting for more than 20% of all supply chain theft.

The increase in stolen alcohol requires both federal and state alcohol regulators to strengthen efforts to prevent sales outside of the three-tier system in order to protect public health and maintain a safe, orderly market for alcohol.

How can distributors prevent stolen alcohol from harming their business, the public and the three-tier system?

THE TEQUILA HEIST

THIEVES STOLE 24,000 BOTTLES OF TEQUILA.
60 MINUTES REPORTS ON HOW THE
SOPHISTICATED HEIST WAS PULLED OFF.



Organized Cargo Theft

The theft of goods, chattel, money or baggage that constitutes, in whole or in part, a commercial freight shipment moving in commerce. Costs include:

- Threatens local and national supply chains
- Inflates consumer prices and finances organized crime
- Businesses face higher insurance premiums due to increased risk

Organized Retail Theft

The large-scale, sophisticated and coordinated theft of retail merchandise with the intent to resell the stolen items for financial gain. Stolen alcohol from retailers or distributor warehouses is a growing concern. Costs include:

- Higher prices for consumers, loss of tax revenue and employee safety concerns
- Closure of retail businesses, loss of jobs, and food/pharmaceutical deserts
- Safety concerns for retail employees
- Smash-and-grab theft at retail stores may require state regulation to address location of alcohol in a store

Threats to Regulated Alcohol Markets

- Unlicensed sales of alcohol by those who stole or received stolen alcohol
- Illegal purchase of stolen alcohol by a licensed business
- Destabilized marketplace and public health concerns
- Organized crime infiltration (with associated public safety concerns about other criminal activities, including drugs and weapons)
- Loss of tax revenue
- Health and safety risks associated with the reintroduction of stolen goods into the supply chain

Modern Cargo Theft

FBI Categories of Cargo Theft

Straight cargo theft occurs when cargo is physically stolen from its current location. This often occurs at truck stops, parking lots, roadside parking, drop lots, rail yards and other situations where cargo is left unattended.

Strategic cargo theft occurs when thieves incorporate deceptive tactics to trick shippers, brokers and carriers into handing loads to thieves instead of the legitimate carrier. This typically involves variation or combination of the following:

- Identity theft
- Double-brokering
- Phony carriers (also called chameleon carriers)
- Use of Air Tags to track valuable cargo
- Fictitious pick-ups and fraudulent carriers

Cyber cargo theft occurs when cyberattacks are used to gain access to a company's systems and sensitive data. Thieves then use this information to:

- Spoof legitimate carrier information
- Create fake dispatch emails
- Steal login credentials on online load boards
- File fraudulent documents

Anatomy of a Scam

1. Carrier bid solicited through online marketplace
2. A logistics broker contracts with a trucking company, which then contracts with another (fake) carrier, which then contracts with a driver
3. Scammer spoofs emails to give updates and fake information
4. On-board GPS units hacked to provide false location information
5. Meanwhile, the load is redirected and never arrives at its intended destination

Strategies for Distributors

How to Avoid the Scam or Mitigate the Loss

- Contract only with a carrier that has its own fleet and doesn't pass the order on to another carrier
- Obtain insurance or verify that carrier or shipper has appropriate insurance
- Clarify with supplier who is liable for stolen product before it reaches your warehouse
- Utilize independent carrier verification service
- Educate employees to look for red flags and IT security (identity theft, phishing emails, etc.)
- If a load is stolen, report the loss to law enforcement and insurance
- Submit claim for tax reimbursement, if appropriate

Who to Contact if You Have a Load Stolen or Suspect Stolen Alcohol

- **Local and state law enforcement agencies:**
 - Identifying which local or state agency has jurisdiction may be challenging if it is unclear where the theft actually occurred
 - Reports should be filed with law enforcement agencies in the jurisdictions of both the point of origin and the destination
 - If you have information about where the load ended up, then law enforcement agencies in that jurisdiction should also be contacted
 - Check if the law enforcement agency has a cargo theft task force and submit your report there
- The **Federal Bureau of Investigation (FBI)** and **Homeland Security Investigations (HSI)**
- **State alcoholic beverage control or liquor commission, enforcement division.**
 - It is recommended that this be done in writing since many regulatory agencies may not take or prepare a formal crime report

Strategies for Distributors

- If you have specific information about stolen alcoholic beverages being resold into the regulated market (at either the wholesale or retail level), then this will be of particular interest to state alcohol regulatory authorities
- The **Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)** and the **Alcohol and Tobacco Tax and Trade Bureau (TTB)** are charged with investigating alcohol theft and diversion. The ATF has a tips line to report stolen alcohol, particularly if it involves large quantities, federal excise tax issues, or theft from a permitted entity, contact the ATF Hotline at 1-888-ATF-TIPS (1-888-283-8477) or email ATFTips@atf.gov.
- The **National Insurance Crime Bureau (NICB)** may offer additional recommendations and provide resources (e.g., National Commercial Vehicle and Cargo Theft Prevention Task Force — requires membership)

Tax Claim (if applicable)

- While the **Alcohol and Tobacco Tax and Trade Bureau (TTB)** does not collect federal excise taxes on lost or destroyed alcoholic beverages, theft is an exception
- This means federal excise tax IS collected on stolen alcohol, unless the taxpayer can:
 - “establish to the satisfaction of the Secretary that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the proprietor of the distilled spirits plant, owner, consignor, consignee, bailee, or carrier, or the employees or agents of any of them.”
- See: distilled spirits (26 U.S.C. section 5008); also see beer (26 U.S.C. section 5056), and wine (26 U.S.C. section 5370)*
- If theft occurs, a claim for remission of tax, allowance for credit of tax, or tax refund may be filed on TTB Form 5620-8-Claim-Alcohol, Tobacco and Firearms Taxes
- The burden is on the taxpayer to show that the theft was not due to connivance, collusion, fraud, or negligence
 - Important to establish due diligence in consigning the load and mitigating risk
 - Actions taken following loss will be considered in evaluating claim—filing of police report(s)

Strategies for Distributors

Other Considerations

- Whether insurance companies will pay for theft requires a close examination of your carrier, as well as the terms of the agreement between you and your supplier and the carrier
- Organized theft and break-ins into wholesaler warehouses and trucks or at alcohol retail locations raise similar insurance and safety concerns
- Sales outside the three-tier system create significant public health and safety risks and threaten all industry tiers. It is important for states to have a record of enforcement violations for attempts to sell stolen alcohol back into the three-tier system at any level.
- It is good to let your state wholesaler association and the NBWA know of thefts so they can utilize this information in their advocacy efforts to call for greater enforcement and coordination by law enforcement agencies

NBWA Resources

To further assist your education and advocacy efforts, NBWA has developed:

- A webpage with key information for industry members and regulators, including recent examples of alcohol theft
- A memo intended for state and local regulators, which outlines the threat to regulated alcohol markets, how stolen alcohol enters illegal and licensed markets and potential actions that can be taken against perpetrators

Access Additional Resources at
nbwa.org/stolen-alcohol