



United States
General Accounting Office
Washington, D.C. 20548

Office of Special Investigations

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April 28, 1994

The Honorable James L. Oberstar,
Chairman
The Honorable William F. Clinger, Jr.,
Ranking Minority Member
Subcommittee on Aviation
Committee on Public Works
and Transportation
House of Representatives

On December 18, 1992, you requested that we investigate the problem of theft of property from checked passenger baggage within the control of the airlines. We agreed to review this problem at selected major U.S. airports and report the results of interviews with knowledgeable transportation officials and appropriate law enforcement officials. In addition, you informed us that you would be interested in any information developed regarding preemployment screening procedures of airline baggage-handling personnel. On November 23, 1993, when this summary document was requested, we briefed your office concerning the results of our work at nine major U.S. airports and eight U.S. and foreign passenger air carriers.

In summary, we found that the number of reported thefts from checked baggage is very low in relation to the number of passengers flown and amount of baggage handled. The airlines classify theft from baggage as "pilferage," while missing baggage is classified as "lost." In 1992, 2 major airlines we surveyed boarded approximately 150 million passengers and received approximately 6,100 pilferage complaints. For the 6-month period of January 1993 through June 1993, these same carriers boarded approximately 70.2 million passengers and received about 3,000 pilferage complaints. Although the ratio of pilferage to the total number of passengers appears to be low, it does show the vulnerability of baggage to unauthorized access.

Airport police authorities and other enforcement agencies have little information concerning pilfered baggage because the airlines attempt to settle passenger claims through restitution and do not routinely report passenger claims to the police. Representatives of the enforcement agencies

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commented that through use of the settlement process, airlines avoid possible negative publicity. Depending upon the airline, claims are settled at the airport or at the airline's headquarters. However, airlines generally do not settle claims for items such as cash, jewelry, cameras, and video and electronic equipment.

We learned that some passengers may make fraudulent claims regarding pilferage. According to airline officials, indicators that a claim is fraudulent include the following: (1) A passenger may make inconsistent statements regarding the loss of baggage content. (2) A passenger may make multiple claims. (3) The items claimed could not have physically fit into the luggage. Most major airlines use a computer system known as "easy track" to share lost baggage information and locate missing passenger luggage. Also, the system may be used to identify passengers who frequently make claims.

Enforcement authorities in several cities voiced the opinion that most baggage theft or pilferage problems are likely caused by contractor personnel instead of airline direct-hire employees. These same authorities cited possible reasons, such as low wages and lack of employment benefits for contractor personnel. (See enclosure I for additional information regarding baggage pilferage, pilferage methods, and pilferage deterrents.)

Airline employee and contractor personnel working on domestic flights are subject to an employment history check for the 5-year period prior to being hired. In addition to the employment history check, international flight area personnel are subject to a criminal background check conducted by the U.S. Customs Service. (See enclosure II.)

In an effort to ensure the safety of airline passengers, a September 1992 Federal Aviation Administration (FAA) Supplemental Notice of Proposed Rulemaking addressed the issue of criminal history background checks for air carriers and airport operations employees. Rulemaking regarding this issue is currently under FAA review, and it expects to issue its final rules by early summer 1994.

In conducting our investigation, we visited nine major U.S. airports:

- Los Angeles International, California
- Chicago O'Hare, Illinois
- Dallas/Ft. Worth, Texas
- Miami International, Florida
- Baltimore-Washington International, Maryland

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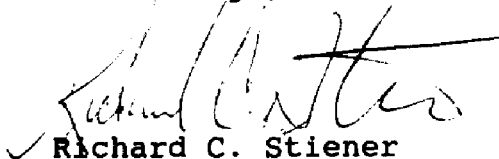
- Dulles International, Virginia
- Washington National, Virginia
- Philadelphia International, Pennsylvania
- John F. Kennedy International, New York

We conducted over 100 interviews, including representatives of 8 U.S. and foreign passenger air carriers. These interviews included representatives of the following enforcement agencies: the local police agency with jurisdiction at the respective airports, U.S. Customs Service, U.S. Postal Inspection Service, and Federal Aviation Administration. We reviewed statistical baggage loss and theft information obtained from two major U.S. airlines for the period January 1992 through June 1993. We conducted our investigation from January 22, 1993, to November 23, 1993.

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We plan no further distribution of this letter until 7 days from the date of this letter. At that time, we will send copies to interested parties. We will also make copies available to others upon request.

Please contact me or Assistant Director Houston Fuller of my staff on (202) 512-6722 if you have any questions concerning this matter.


Richard C. Stiener
Director

Enclosures

BAGGAGE PILFERAGEBAGGAGE HANDLERS

Large domestic carriers use their own employees for most baggage processing, but contractor personnel are often used for curbside check-in and transferring bags between carriers. Generally, foreign carriers use only contractor personnel for baggage handling.

PILFERAGE INDICATORS IN EMPLOYEES

We were told that certain activity by baggage personnel could indicate possible involvement in pilferage. For example, such employees might choose to park at close-in pay parking lots rather than the free employee parking, which is usually remotely located. Other indicators might be expensive cars and homes, which the employee could not afford on salary alone. In addition, security and enforcement officials told us that employee theft increases on financially troubled airlines.

BAGGAGE TARGETED

Among likely targets of pilferage are expensive luggage, electronic equipment in factory-marked original cartons, or soft-sided luggage through which someone might feel something of value inside.

ITEMS PILFERED

We were advised that cash, cameras, jewelry, and firearms are among the items most frequently pilfered. Airlines tag baggage containing firearms declared by a passenger. Firearm notification tags are now placed inside bags to avoid advertising that a gun is inside the luggage; previously, tags were attached to the outside of the container/baggage. Security and airline officials suspect that drugs and drug proceeds are also pilfered but are not reported by the affected passengers.

Liability for baggage loss, damage, or delays is not to exceed \$1,250 per fare-paying passenger domestically and approximately \$635 per piece (maximum of two) internationally. International treaty limits liability based upon baggage weight for international flights.

PILFERAGE METHODS

Enforcement and security officials advised us of the following ways in which passenger baggage is pilfered.

- At curbside, a baggage check-in handler identifies a passenger as possibly wealthy, based on that person's manner of dress or

compartment. The handler then marks the bag, thereby alerting accomplices in the baggage areas to open the marked bag or hide it for later theft.

- Pilferage in the cargo bin of the aircraft entails three accomplices. One person remains on the ground as a lookout, while the other two are inside the cargo area of the aircraft, where they build a "wall" of luggage to obscure their activity from persons on the ground. While secreted behind the "wall," they open and pilfer passenger luggage.
- Baggage personnel secure luggage in large containers referred to as "igloos," which are then loaded into an airplane cargo bin to be transported aboard the passenger aircraft. Prior to loading the igloo into the cargo bin, baggage-handling personnel pilfer passenger bags inside the igloo, where their activity is not easily observed.
- Some baggage personnel have been found with rings of keys from many baggage manufacturers, which the personnel use to open passenger luggage. Often, one key fits most luggage made by an individual company.
- Personnel divert baggage from the passenger's destination by removing the destination tag from the luggage and retagging it, thereby diverting the bag to a nearby airport where it is later claimed by an accomplice.
- Baggage personnel may avoid overt surveillance cameras used in the baggage areas and pilfer luggage in other areas away from the cameras.

AIRLINE THEFT DETERRENTS

An airline official discussed shrink-wrapping passenger baggage as a deterrent. Cost estimates by airline personnel are \$2.50 to \$3.50 per bag. Wrapping the luggage in nontransparent plastic would seal it, thereby concealing expensive luggage brands and providing additional security against theft, damage, or accidental opening during handling.

Securing a band around a bag, which must be cut off before the bag can be opened, provides an added measure of security and prevents accidental opening of the bag during handling.

Placement of overt and covert video surveillance cameras in the baggage areas (where bags are sorted and loaded onto carts for transfer to and from aircraft) and inside aircraft cargo bins provides an added measure of security.

U.S. Customs Inspector personnel physically monitor the movement of luggage from some international flights, primarily for drug interdiction. Their presence has the added benefit of deterring theft.

DETECTION TECHNIQUES

A detection technique that enforcement officials employ involves the use of "clue spray." The decoy bag's contents are sprayed with a chemical that can be seen under ultraviolet light. When a baggage handler's hands come in contact with the sprayed contents, his/her hands are exposed to the chemical, thereby making detection possible.

In an effort to identify perpetrators and location of thefts, enforcement officials advised that, when appropriate, electronic sensors have been placed in decoy bags. The sensor transmits a signal to the receiver when the bag is opened, thereby alerting authorities.

BACKGROUND CHECKS FOR BAGGAGE HANDLING PERSONNEL

Domestic flight employees (airline employees and contractor employees) are subject to an employment history check for the 5-year period prior to being hired.

In addition to the 5-year employment history check, airline and contractor employees working in international flight areas are subject to criminal background checks by the U.S. Customs Service. Federal Bureau of Investigation Criminal History Records and the Treasury Enforcement Communications System are queried for criminal history records, but employees and contractors are not routinely fingerprinted due to cost.

The FAA's original proposal regarding criminal history record checks for all individuals with unescorted access to sensitive areas of airports drew strong objection from some in the airline industry. Subsequently, the FAA published a supplemental rule change proposal stating that a criminal history records check would be required only when the employment investigation triggers a need for such a check. The FAA is expected to publish its final rule by the early summer of 1994.