

Welcome to the latest edition of TT Talk, number 27 in the series.

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1. Maritime security in the United States - Something missing?

In response to our article in Edition 24, Jonathan Musson of Musson International Freight Forwarders Inc. of Mississauga, Ontario, has e-mailed us regarding shipments of personal effects.

"What appears to me as more interesting [than the discussion over 'Said to contain'] is the movement of personal effects shipments. Security on this kind of freight, described simply as "personal effects" seems somewhat lax....

While the customs service heavily concerns itself with industry, worried by the missing digit in the H.S. code, or the late presentation of the export declaration....they don't seem to be too interested in the taped box containing underwear, socks, bed linen, and that large bag of....?? I am sure there is the usual customs inspector profiling going on.... but I would believe, by and large, "personal effects" move freely...."

2. Scams on shipping lines

Another of our readers, with long experience in the shipping industry, wrote to us - again after Edition 24 - saying

" Over the years I've seen some rather ingenious attempts by unscrupulous individuals to profit by attempting to take advantage of shipping lines and would recommend you solicit Member lines to provide the details of occurrences that may be interesting to all. With this approach, once a scam has been identified by a line, all Members could become aware and take action to prevent the same individual/organization from moving to another line to attempt the same activity. Most likely individuals or lines would not like to be identified but that would be OK, as the important part would be identification of the scam that costs us all."

Your editor invited him to give us an example of what he had in mind, and here it is:

"As a Port Manager for a large container carrier in the early 70's I had the responsibilities for all port activities which included warehousing and the staff function of claims administration.

While stripping one of several grey goods import loads, I noticed a forklift operator had nicked and torn one of the new looking rolls of cloth. I was disappointed we had damaged someone's goods but the objective became to minimize the damages. So I asked the warehouse manager to get the tape, so we could prevent further soiling and damage from occurring. When we started to apply the tape, it became obvious something was wrong with the enclosed cloth as, when we attempted to stuff it back under the burlap wrap, it would disintegrate in our fingers.

This was the first time I had seen a condition such as this and I became suspicious given the new burlap wrap and markings on each roll. Notes were made and a small sample of the material was retained in a jar for whatever eventuality might arise. Several months later, a claim totaling US\$62,000 was received, identifying us as responsible for deteriorated cloth. As work on this claim progressed, we found that the cloth had been shipped from the US to India and stored there for three years. It was then bought and transported to England where it was repackaged, wrapped and stenciled. About sixty days later, it was sold to customers in North Carolina and shipped to them. As the carrier, we had had it in our possession for less than thirty days.

Once we provided the details of our findings, the claim was rejected. We never heard further from this customer regarding this shipment or future tendering."

3. More scams on the unsuspecting!

The plague of so-called "Nigerian letters" unfortunately shows no sign of abating; if anything they are becoming more frequent. Although the term arose because people were receiving letters posted from Nigeria, the perpetrators have now latched on to the electronic age. The "letters" are these days more likely to be e-mails and Signum Services, the Club's investigation department, reports that they are also being generated now from other countries besides Nigeria, such as South Africa. Even though these scams have been around for about twenty years, people are still falling victim.

The letters tell a plaintive story that the writer has inside information about a large amount of cash which is held somewhere and cannot legally be transferred because it is the proceeds of some corrupt practice, or belongs to a president, a minister or some high official who has fallen from grace. But, if the writer could only use your bank account number, the money could be transferred legally abroad. All you have to do is to allow the money to pass through your account and you can keep a percentage for your pains. As Signum point out, this is just the bait.

If you take it, you will soon find that inexplicable problems are occurring, that can only be resolved by a payment of a few hundred dollars to a bank clerk. Send that money off, and more problems arise: this time it is a few thousand, to grease the palm of a government official. And so on, until you finally realise that you have parted with several thousand dollars, Not only are you never likely to see that again, you are certainly never going to see the promised pot of gold. The Oakland (California) Free Press recently carried a report showing how serious the scam can be: the bookkeeper for a local law firm has been indicted on charges of embezzling no less than US\$ 2.1 million from her employer's bank account. The money had been wired to someone claiming to be an official in a South African ministry who needed help in transferring \$18 million to the US. The full story is on

http://www.freep.com/news/locoak/checks21_20020921.htm

Signum's advice is to leave all such "amazing offers" well alone. Even a response may elicit further unwelcome attention. However one brave soul was recently reported as having sent the following e-mail reply:

" I am very sorry to hear of your problem and regret that I am unable to do anything about it immediately, as I am currently in prison. However, I think I have an answer for you. Please put the cash in a large parcel and send it to me by registered airmail. I will look after it for you very very carefully." Needless to say, he never got a response.

4. Carrier's duty to deliver under a Straight Bill of Lading

In a judgment delivered earlier this month, in the case of APL Co Pte Ltd v Peer Voss, the Court of Appeal in Singapore has held that a carrier is not entitled to deliver goods carried under a straight bill of lading, without production of that bill of lading by the named consignee. A straight bill of lading is a non-transferable/non-negotiable bill of lading, in which the consignee is named/identified. It differs from a negotiable bill of lading, where the consignee is expressed as 'to order' or equivalent.

The decision is an important one, since it establishes for the first time in Singaporean law that a straight bill of lading is different from a sea waybill, the presentation of which is not a pre-requisite to delivery by the carrier. As regards production on delivery, there is now no difference between a negotiable bill of lading and a straight bill. In both cases, the carrier is at risk if he delivers without requiring the bill of lading to be produced in exchange for the goods. In the case of a straight bill, the consignee claiming delivery must in addition identify himself as the person named as the consignee in the bill.

The decision is contrary to current industry practice, which tends to equate straight bills with sea waybills, but it may be followed in other jurisdictions. For example, the English Court of Appeal, in the recent case of 'The Happy Ranger' indicated that it might not be wise to rely on the textbooks, most of which have to date agreed that a straight bill need not be produced as a pre-requisite to delivery. The effect of the decision on industry practice is currently under debate, and we will keep readers of TT Talk informed, as discussions progress.

You can access a note on the case at the website DMC's CaseNotes @ http://www.onlinedmc.co.uk/apl_v__voss_peer.htm

5. Conclusion

We hope that you will have found the above items interesting. If you would like to have further information on any of them, or have any comments you would like to make, then e-mail the Editor at tt.talk@ttclub.com. We look forward to hearing from you.

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