

### **A Note from the Editor**

We had a good response from last issue's article on Steel Claims from Mersey Docks and you can find the responses to the original article towards the end of this newsletter. Thank you to those who took the trouble to write to Jan, Bernie and I. Also if you missed the original article from Jan Fallon and Bernie Maxwell this, together with the responses, are on the TT Forum which can be found under Member Services on our website.

As you can see this is a very full issue this month and I would like to draw your attention to the new look to the TT website. For those who are used to logging on to TM-online there has been a change and you should now use the Member Services option from [www.ttclub.com](http://www.ttclub.com). If you are already a TM-online registered user you will not have to re-register and you will find 'Member Services' on the menu bar on the left hand side of the home page. Please do let me know if you have any comments about the new look and also the new registration/login process.

It is a little early for Christmas I know, but I would like to take this opportunity on behalf of the TT Club to wish all our readers a happy Christmas or holiday season as well as good fortune for the New Year. Last year we did not send commercially produced Christmas cards and the money that would have been spent on cards was sent to the UNICEF Children's Appeal and we decided to do the same again this year.

Shirin Haque  
Editor

### **Nigerian Letter Fraud**

This type of fraud was first associated with Nigeria but can now relate to a number of other West African countries. The term '419' is frequently associated with these letters, as it relates to the section of the Nigerian Penal Code that deals with advanced fee frauds.

The prime objective of the letter is to gain an advance fee payment. The author usually purports to be a person who has managed by some good fortune to generate a substantial sum of money that they need to smuggle to another country. To enable them to do this, the recipient's help is sought in return for a percentage of the fund, usually between 10% and 30%.

Another objective of these letters is to obtain company and personal details so that the information may be used in the future to commit other types of fraud.

Once a response is received, the fraud is skillfully implemented to gain the confidence of the victim and to induce them to make an advanced fee payment. Once this has happened, further sums are sought and this will continue until the victim realises what has happened.

The circulation of these letters is a serious worldwide problem that has caused a number of countries to adopt a multi-agency approach to combat these frauds.

How unbelievable these letters may seem, people and businesses are frequently deceived by such poorly presented letters. It has been estimated that in 1999, some five million of these letters were sent worldwide. Quite a lucrative business for the Nigerian postal service. In fact, the stamps on the envelopes are forgeries and, more often than not, are posted from outside Nigeria. In addition to letters, these appeals are being sent by e-mail and this is becoming more prevalent.

Statistically, it is said that from every 100,000 recipients, about 1,000 respond and ten get de-frauded. For the record, the largest known individual fraud of this type is said to have happened in the USA and involved USD6 million. The largest known company fraud occurred in Germany involving USD23 million.

So concerned is the Central Bank of Nigeria about this type of fraud, they have released an international press statement which appeared in over 80 national newspapers and magazines, written in twelve languages and covered 36 countries, exonerating themselves and the Nigerian Government of any responsibility for the sophisticated crimes perpetrated by clever criminals who prey on the greed of the victims.

Greed is the prime ingredient of this type of scam, which is designed to make the recipient less rather than wealthier. The simple solution is not to respond to the letter for, if you do, it is the first step to offer these people a lucrative lifestyle.

Never under-estimate their ability to adapt to new methods or change the style of the letter in an effort to achieve their aim. This has been apparent recently when they have been able to obtain access to companies' e-mail facilities in order to send such letters.

If you should receive such a letter DO NOT REPLY. Just destroy it or enquire if your local law enforcement agency is interested in it.

Contributor: Michael J Hawkins (Chief Investigator), Signum Services Ltd - London

### **World at War**

Recently, as the Club has been preparing its circular to all members on Political Risks (including War Risks on Land) insurance, we investigated where the trouble spots in the world are at present. It is not only surprising but alarming at how much unrest there is and many of these disputes are long running. Central Asia, the Middle East and parts of Africa are the major 'hot spots' at the moment.

This might be an opportune time to look at the Club's Political Risk cover again. We have paid claims in nine of the last ten years. Whilst the Club gives automatic cover up to USD 50,000 per year to protect the equipment of any member purchasing carrying equipment insurance, sometimes-higher limits are required and can be provided under this specific insurance.

If you feel that you would like to know more about this either contact your underwriter or send a message to the TT Talk e-mail address to: News.TTClub@thomasmiller.com and I will ensure that your request is passed to the correct person.

Contributor: Shirin Haque, TT Club - London

### **Container Theft in Hong Kong... Cont'd**

Further to our articles on container theft in Hong Kong (March 1999) & (April 2000), the police in Hong Kong have recently informed our office here of the following:

They said that from 1997 to 1999, a total of 208 containers were reported lost but only six were recovered in China. Most of them were reefer containers. From January to October 2000, 236 containers were reported lost. All of them were either 20 ft or 40 ft general purpose/high cube containers. There is a trend that bogus shippers have only stolen general purpose (GP) containers this year. Recently, the police in China have recovered about 100 GP containers. The police provided me with a list to check whether we insured the recovered containers. However, I checked the data and have found out that not all of them are the containers reported lost by members.

Regarding the loss prevention measures, the police and the TT Club emphasise that a company search and site visit are needed when a new customer approaches a member to book containers. It is a first and basic step. Some members have said that they have implemented this practice recently.

During the investigation, the police found that bogus shippers would use false identity cards to set up a bogus company in order to book the containers. In a recent seminar, we told our members about a

hotline service provided by the Hong Kong Immigration Department. Members should check whether the identity cards used by the shipper are false or not.

The police gave their contact details to the members who attended the seminar. When a member finds that a suspicious shipper (who is new customer and registered in a secretarial office) contacts them to book containers, the member can ask the police to check for them (Regional Crime Unit in the New Territories on (+852) 2666 4476) whether the shipper is genuine or not. One member raised the point that it would affect their business, as the police may need one or two days to check the information. We agreed that it might have an effect on their operation. However, it is worthwhile to let the police check first as there really is the possibility that a shipper is bogus and then the member could lose five to ten containers as has happened in one case.

As well as, a site visit, we recommend that all container operators/agents request from a new shipper a cash deposit.

It has been suggested - and the Club agrees - that a concerted action by all carriers is likely to provide a result that would be impossible alone.

A list of Companies believed to have been set up by Crime Syndicate Members:

Albert Chor & Co  
Anderson Enterprise Co  
Anderson Trading Co  
Beautibase International Ltd  
C & M Shop  
China Trade International Co  
Chun Fat International Co  
Chun Fat International  
Cheung Hing Development Co  
Cheung Hing Motors Co  
Faith Easy International Ltd  
Gala Container Services Co  
Ho Mark Co  
Kam Fat Trading Co  
Kam Yen Hong  
Le Leung Industrial Co  
Luen Cheung Trading Co  
Man Kee Food Co  
Po Fat Trading Company  
Richman Co Ltd  
Richman International Trading Co  
Richman Trading Co  
Santak Enterprise Co  
Sun Fat International Enterprise Co  
Sun Sun Trading Co  
Sun Tai Trading Co  
Tai Chung Trading Co  
Tai Shan Trading Co  
Top Team Development (Freight) Co  
Union Trading Co  
Waco International Trading Co  
Wai Shing Trading Co  
Wai Tat Industrial Co  
Wing Kee Fu

Wing Lee Motor Trading Co  
Contributor: Sandy Ip, TT Club - Hong Kong

### **Illegal Immigrants**

Further to our article published in August) on the tragic deaths of 58 immigrants in a container entering the UK, we would advise all our members moving goods to the UK to check the following website:

[http://www.homeoffice.gov.uk/ind/tourist\\_industry\\_info/tourist\\_industry\\_civil\\_penalty.html](http://www.homeoffice.gov.uk/ind/tourist_industry_info/tourist_industry_civil_penalty.html)

This link gives details of the Code of Practice and sets out the measures to be taken and procedures followed by persons operating a system for preventing the carriage of clandestine entrants to the UK in respect of vehicles.

It is important for companies to have procedures in place that comply with the requirements of the code of practice. Also all companies must be able to show that the requirements of the code of practice were being followed and that the operator and driver had no reason to suspect that people were present on the vehicle if they are to have any chance of appealing successfully against the imposition of fines. The regulations apply as much to containers and swap-bodies, whether carried by road, rail or sea, as to conventional road vehicles.

Contributor: Andrew Trasler, TT Club - London

### **3iCM Programme**

Recently the subject of improved training and professionalism for the container liner industry has been discussed in the margins of conferences and at the meetings of professional trade bodies. A blue print has been prepared by Steve Cameron, chairman of the UK Chamber of Shipping Container Panel and also a director of OT Africa Line (OTAL).

Steve Cameron will spearhead a campaign, kicking off at last week's Intermodal Conference to obtain sufficient pledges from the industry to fund six months of research and development. The crux of this is to assess the viability and efficacy of a new professionally industry-wide accredited training and certification system known as 3iCM to assist in cost management, working efficiency and health and safety aspects of container logistics operations.

To get the ball rolling the 3iCM programme needs industry support with financial pledges, sponsorship packages, offers of technical assistance. Therefore a steering committee has been set up comprising of members from across the container shipping and logistics sector. If you feel you would like to know more about this or would like to support this cause please contact one of the following committee members:

Chairman - Steve Cameron, Director, OTAL

Nigel Stribley - Managing Director, Unitas: previously Managing Director of Cronos and trained with Sealand

Rachel White - Director, Intermodal 2000 and TOC conferences: part of the Informa Group

Matthew Austin - HR Manager, OOCL (UK) Europe

Edmund Brookes - Director, The Chamber of Shipping

George Fawcett - Director, Transport Mutual Services UK Ltd

If you would like to contact me about this project, please send your reply to:  
[Mailto:news.ttclub@thomasmiller.com](mailto:news.ttclub@thomasmiller.com)>news.ttclub@thomasmiller.com</a>].

Contributor: George Fawcett, TT Club - London

### **New Kid on the Block**

The TT Club's expansion into providing property/energy insurance to our members has been a necessary progression with most of our competitors offering package policies including property/energy and business interruption related insurances.

We have employed Niels H Aaskov as a property/energy underwriter. Niels has spent the last 22 years with the AIG in various senior positions. He will provide us with the professional and technical expertise to add property and energy to the Club's current range of insurance products already offered to the membership.

If any of our would like to get in touch with Niels to discuss this insurance, e-mail him on:

mailto:Europe.Underwriting@TTClub.com

Contributor: Shirin Haque, TT Club - London

### **Steel Claims - a View from Australia**

Considering the properties of steel it is comparatively easy to cause it damage. Its inherent mass is such that any unintended stop, once it is moving, is likely to result in damage to something! The fact that a bare steel surface will in general show surface rust quite quickly means that speed in inspecting mechanical damage is essential. From the stevedores' point of view, a torn edge that is rust stained is good evidence that they are not responsible for the damage.

There are recognised problems with the increasing use of chartered vessels by the main liner and break-bulk operators and with the use of crewing agency rather than operator-employed ship's staff. There is less interest by staff in protecting the owner's interests and even less in protecting those of a charterer. With reduced crews there are fewer staff on deck during cargo operations to see damage and certainly there will not be any in the holds on a continuous basis.

Stevedores are in the holds during discharge operations and will be the first to see existing damage in stow. They should notify a duty officer if damage is seen and leave the affected cargo until a ship's representative has inspected it.

Surveyors carrying out pre-discharge inspections on behalf of an operator will always notify the Master or Chief Officer of any damage seen in stow. The operator will also be informed in the subsequent report. The operator, who will receive any claim from the consignee, will then know, in the case of pre-discharge damage, that the stevedores are blameless.

If surveyors appointed by a stevedore see pre-discharge damage they should also inform the Master and ask for an immediate inspection by a ship's representative. On a properly run ship this will be appreciated.

Implicit in the notice suggested by Mersey Docks and Harbour Company is that a failure to inform the stevedores of damage sighted during discharge will result in a claim being rejected. This does not address damage, which may occur during transfer from the ship's side to the storage area. There may also be a conflict with the terms of the contract between the ship operator and the stevedore.

Contributor: M J Bozier, Avdall & Bozier - Sydney

### **Steel Claims - a View from Canada**

I read with interest TT Talk 12th Edition regarding alleged damage caused by stevedores to steel coil. There are considerable amounts of steel coil passing through the Port of Montreal and as a surveyor have become frequently involved, sometimes on behalf of stevedores, sometimes on behalf of cargo

underwriters and also for P&I. The majority of damage appears to be caused by slings used both during loading and discharge. It is in the form of squeezing or bending of a number of laps on the inner diameter.

With this type of damage it is usually easy to establish if the discharge stevedore is responsible. If the damage is bright and shiny then damage occurred during discharge, if it is rusty and dull then it did not. It is therefore not the responsibility of the stevedore of the discharge Port.

The same criteria can be applied to steel beam.

This method also reduces the time spent by the Surveyor on the job since the brightness and new damage is obvious for at least two days. Survey can be carried out on a "spot check" basis. Thus protecting the stevedore and reducing the cost.

Contributor: W Morrison, Marine Surveyors of Canada (e-mail: <a mailto:marsurca@total.net

### **Steel Claims - a View from Colombia**

I saw in your last edition of TT Talk that Janet Fallon and Bernie Maxwell would like to know if the (steel) problems they encounter are widespread.

We are a stevedoring company, whose operation is based in Colombia and we have substantial experience with steel coils and plates, and the claims related to them. We are also aware of the struggles about the issuance of 'Clean Bs/L (bills of lading), that often arise between the shipper of steel coils/products and the Chief Mate of the vessel or the owner himself.

The discharge of steel products from a vessel involves, of course two scenarios:

- a) the scenario where we initially see important proportions of damaged cargo, in which a surveyor is immediately called to record the condition of the cargo upon arrival of the vessel, and
- b) the situation where there are individual/isolated cases of damaged cargo.

We deal with the latter situation through training some of our personnel to act like 'tally clerks' in order to spot the damages as soon as they become apparent within the vessels' holds. Once damages are spotted, they are immediately reported to the vessels' deck officer through a format called 'Damage Report' which we require the officer to sign. It is not unseen that the officer refuses to sign such a document, though. On the other hand, we complete another report, called the 'Incident Report', where all the information and explanation about the findings are written for further use vis-à-vis the consignee or the shipowner. The reports are produced and kept according to precise guidelines and procedures designed by us within the Quality System of our company, which is backed by ISO9002.

In the case of an individual damage, the assistance of an independent surveyor alone is not that useful: he has not seen the condition of the cargo before unloading and therefore he is left to listen to actual witnesses ... his knowledge becomes, then, mere hearsay evidence. He may, of course, produce a report on the extent of damages and some other valuable information.

Naturally, training our own company's personnel required the investment of both time and money. We think it was worthwhile.

Contributor: Diego Ramirez (Risk Manager), Granportuaria SA (Tel.: +57(1) 6019000, Fax: +57(1) 6351576)

### **Steel Claims - a View from Ukraine**

As a freight forwarder and terminal operator, we have worked with steel products for already more than eight years. Claims relating to damage caused to this material in transit arise very often, indeed, especially when we talk of cold rolled steel coils, and cold rolled sheets and hot rolled plates. Again, you are right saying that it is sometimes rather difficult to ascertain at what stage of transportation such damage has occurred.

The solution of this problem would probably depend on who is responsible for unloading the material, because as far as we talk of liner out terms, when the carrier/ship owner does this work on his own, it is physically possible for him to discover such damage while unloading the cargo and notify the goods interests/port stevedores thereof accordingly. But this would mean that the carrier either did not notice such damage during the loading operations, or did not include any remarks into B(s)/L to that effect, or damage has occurred during the voyage. As you can see, the liability in either case is very much likely to rest upon the carrier (of course, this may not be the case depending on the applicable regulations). Under the circumstances, ask yourself a question: will the carrier disclose the fact that damage has been discovered? I don't think so.

Things get even more complicated when unloading operations are being carried out by the stevedore. Of course, it is to his interests that any discoverable damage is properly notified to the goods interests before the material is ashore. The problem is that it is often difficult to discover any damage before the coil (or plate or whatever) is lifted. On the other hand, it must be thoroughly looked into whether the carrier's liability still lasts in each particular case after the cargo is either lifted or has passed the vessel's railings or is aground (depending on the jurisdiction and the C/P provisions). Even if the damaged cargo is still under liability of the carrier at the time such damage is discovered, will the carrier let the stevedore suspend unloading operations until the damage is properly inspected by the goods interest and/or surveyor? This may take a lot of time, every minute of which would in such case cost quite a lot to the carrier. Just imagine the situation where it has been discovered that there is one damaged plate while unloading a vessel of say 40,000-mt deadweight.

Would it be commensurable in such case to stop the unloading operations until this coil is inspected? The stevedore also may not be quite happy with keeping the gang idle waiting for the damaged material to be inspected (after all, this is a matter of proper management that the gang be reassigned to another vessel in such case, but anyway).

For as long as the problem persists, the relevant solution must be consistently sought for -- it is always much easier to say 'it is impossible' than to make it possible. However, the practical aspect should not be ignored either.

Contributor: Gleb Rysanov (Head of Legal Department)  
Ukrainian-American Joint Venture "Trais"  
7 Gagarina Avenue  
Odessa 65044  
Ukraine  
Tel.: +38 0482 345555  
Fax: +38 0482 343971  
e-mail: [gleb.rysanov@trais.com.ua](mailto:gleb.rysanov@trais.com.ua)