



Ship Type: Bulk Trade Area: Bangladesh

Bulletin 410 - 04/05 - Grain Cargoes (Fraudulent Practice) - Chittagong, Bangladesh

The Club would like to bring to the attention of Members a circular recently received detailing the alleged fraudulent activities of a team of journalists, customs officials and other officials in Chittagong, Bangladesh.

Targeting shipowners, the team are working in collaboration executing a well thought through scam. The shipowners vessel is reportedly normally chartered by an Indian charterer to load a cargo of grain where the quality of the cargo is questionable and different to that stated on the letter of credit. When the Master questions the quality of the cargo, he is issued with a letter of indemnity supposedly protecting the vessel.

Arriving at Chittagong to discharge the cargo, the receivers and their agents inform the local media that 'Inedible food grain for human consumption is being shipped from India', causing concern amongst the local community including customs authorities, port authorities and magistrates, etc. Discharge is stopped and a sample of the cargo taken but the results of tests are reportedly manipulated. The vessel is delayed and compensation requested from the shipowner because the bank cannot activate the letter of credit due to discrepancies in the documents and they cannot take delivery of the cargo until clearance is given to continue with the discharge.

The owner is caught in the middle, one ship recently being asked to pay USD 700,000 for cargo and customs penalties for the release of the vessel. A vessel belonging to another Club was also found to be detained by the same group and the vessel at that time had been under detention for 75 days under similar circumstances.

For further information please contact the Loss Prevention Department.

Source of information: Loss Prevention Department
 UK P&I Club
 www.ukpandi.com