

# **Loss Prevention Bulletin**

Ship Type: All

Trade Area: Peoples Republic of China / USA

## **Bulletin 118 - 11/99 - Smuggling of Chinese Citizens**

Two of the Association's shipowner members have recently become the victims of what appears to be a highly organised smuggling operation with origins in the People's Republic of China.

The two ships were bareboat chartered by their respective owners to different PRC companies. In handing over the ships, the owners gave up day to day control of the ship's trading activities, the charterers having arranged the crewing themselves. Before embarking upon what, under normal circumstances, would have been legitimate cargo voyages, the ships were modified to accommodate and to hide additional personnel. In one case over 100 Chinese citizens were embarked from another vessel after a rendezvous some miles off the Chinese mainland. In the second case over 50 people were embarked under circumstances which presently remain unclear.

Both ships reached ports in the United States by circuitous routes and were boarded and searched by the U.S. Immigration Authorities when the stowaways were found.

Even though a shipowner may not be a party to the smuggling operations, it is open to the U.S. authorities, or indeed, the authorities in other jurisdictions, to commence a legal action against the owners and the ship which might lead to the imposition of substantial fines, and, in extreme circumstances, to the confiscation of the ship involved.

We would draw your attention to what appears to be a new criminal practice which is developing and we strongly urge all shipowners to undertake the most thorough of investigations before giving over control of a ship to bareboat charterers under similar circumstances. The Managers will be pleased to give advice and assistance as to the nature of enquiries which should be undertaken.

Source of Information : Graham Daines (Claims Technical Director)