



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Continental Van Lines, Inc. - Loss and Damage
Claim

File: B-228702

Date: December 16, 1988

DIGEST

A timely notice of loss or damage to a carrier need not contain specific, itemized exceptions to a delivery receipt in order for a subsequent, detailed claim to establish a prima facie case of liability against the carrier. Where the Navy identifies lost articles of household goods with specific, line-item numbers corresponding to the Descriptive Inventory produced by the carrier at the origin of the shipment, flaws in the government's claims process and minor discrepancies in the manner in which the claim is presented to the carrier do not defeat the prima facie case of carrier liability. Thus, the denial of a carrier's claim for refund of an amount the Navy set off for loss and damage is sustained.

DECISION

Continental Van Lines, Inc. appeals our Claims Group's settlement which denied the carrier's claim for refund of \$91.80, an amount set off by the Department of the Navy from funds otherwise due Continental to recover for the loss of six items of household goods belonging to Specialist Nina S. Barili.^{1/} We sustain our Claims Group's denial of the claim.

BACKGROUND

When Continental delivered the household goods on March 19, 1982, at the Naval Submarine Base, New London, Connecticut, the service member was not at the destination. Her agent did not report any missing items and noted that the carrier did not perform any unpacking. Three days later the service

^{1/} The carrier's claim was disallowed by Settlement Certificate Z-2817671(11) on July 16, 1987. The shipment was tendered on Government Bill of Lading AP-597007.

044191/137588

member arranged an inspection of the property with the Base Personal Property Office, and the member stated to the inspector that approximately seven boxes were not delivered and one dresser mirror was broken. Five days after delivery, on March 24, 1982, the submarine base sent the notice of loss to Continental, reporting that seven boxes were missing but that the inventory numbers were unknown. Two months later, on May 24, the submarine base presented its detailed claim to Continental for \$411.80. The Schedule of Property submitted with the claim listed 30 missing items and one broken item. Only seven of these--the broken item and six of the missing items--were identified to specific, line-item numbers that corresponded to the inventory produced by Continental at the origin of the move.

On June 25 Continental accepted liability for only \$15, the damage to the dresser mirror that was noted during the inspection. Liability for the missing items was denied because the owner's agent did not indicate upon delivery that anything was lost. The submarine base declined this settlement offer as inadequate on July 15 but amended its claim at that point to \$91.80, covering only the broken item and those six missing items on the Schedule of Property that were identified to specific inventory line-item numbers. Continental did not respond to the amended claim, so that amount was withheld from funds otherwise due Continental. Continental now appeals.

DISCUSSION AND CONCLUSION

The primary basis for the carrier's appeal is that the cumulative effect of flaws in the government's claims procedure that occurred in this case preclude its liability. The first flaw Continental complains of was that the government filed a claim even though the household goods owner's agent signed the delivery receipt indicating that nothing was missing. According to Continental, a second flaw occurred when the notice of loss went out to Continental 5 days later that contradicted the delivery receipt but did not advise Continental of the specific claim, which was presented on the Schedule of Property about 2 months later.

Continental elaborates on the second alleged flaw by noting that 16 boxes were packed for the shipment at origin and the household goods' owner had possession of all the boxes that were delivered at destination since the carrier did no unpacking. Therefore, the seven boxes that were alleged to be missing at the government's inspection should have been identified to specific inventory line-item numbers on the general notice of loss to the carrier. Continental also notes that three articles, which were eventually included in

the government's detailed claim as missing and correctly identified to a specific inventory line-item number, were not even packed in a carton or box.

Unquestionably the service member's agent should have exercised more care in determining what Continental delivered, and the member and government inspector should have been more precise when the inspection report and notice of loss were prepared. Apparently, that explains why the government amended its claim from 31 items, having a value of \$411.80, to only six specifically identified items, having a value of \$91.80. However, the Military/Industry Memorandum of Understanding governing the determination of loss or damage in this case allows loss or damage in addition to that shown on the delivery receipt to be included as part of the shipper's prima facie case as long as the carrier receives written notice of the loss or damage within 45 days of delivery. That written notice need not include specific itemized exceptions. The general notice of seven missing boxes that was used in this case is sufficient to comply with the notice requirement of the Memorandum of Understanding.^{2/} Continental Van Lines, Inc., B-216757, Aug. 14, 1985. We believe that the detailed claim, supported by very specific notes from the service member concerning the loss, has overcome the two flaws in the claims procedure and established a prima facie case of liability against Continental for the loss.

The remaining flaws in the government's claims procedure that Continental complains of are only minor discrepancies in the manner in which the government's detailed claim was presented. None of these minor discrepancies detracts from the substance of the amended claim or provides a basis for relieving Continental of liability. See Continental Van Lines, Inc., B-215559, Aug. 23, 1985.

Accordingly, we conclude that the Navy established a prima facie case of carrier liability for the six missing items on the amended claim in spite of the minor discrepancies in the

^{2/} The Military/Industry Memorandum of Understanding, initially effective May 15, 1977, has been adopted by all the military services. It is reprinted in the U.S. Army Claims Service Manual, at chapter 2, Appendix G.

manner in which the claim was presented and the flaws in the government's claims procedures. Therefore, we affirm our Claims Group's denial of Continental's claim.

for *Milton J. Docter*
Comptroller General
of the United States