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# Movin' On

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Volume 2 Issue 1

Advice and tips for Claim Investigating Officers

October 2002

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## From the Chief

This is the second issue of Movin' On - newsletter containing information, advice and tips for Claim Investigating Officers about household goods claims. We hope you will find the material contained in this newsletter useful when you are assisting claimants and doing investigations.

I need your feedback to know if we are hitting the mark. Please tell me if the newsletter helped you, what other subjects would benefit you and how we can improve the newsletter. Please send your comments to [shubbard@fincen.uscg.mil](mailto:shubbard@fincen.uscg.mil) or [rsmithling@fincen.uscg.mil](mailto:rsmithling@fincen.uscg.mil).

FINCEN claim settlement officers are here to answer questions and help resolve problems. Their names, email addresses, and telephone numbers appear at the end of this newsletter. Feel free to contact them at any time.

Susan Hubbard

## Customer Service...

Do you let household goods claims submitted to you languish on your desk? Process the packages as soon as you can and send them to us for adjudication and payment. We understand that being a Claim Investigating Officer (CIO) is a collateral duty. However, it's very important to the claimant to settle their claim in a timely manner. We need your help to give claimants the kind of world-class customer service we expect for ourselves.



## DD Form 1840 and DD Form 1840R...

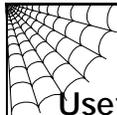
Do you know the difference between these two forms? You should!

The carrier should present the DD Form 1840, Joint Statement of Loss or Damage at Delivery, to the property owner (or their designated agent) at the time of delivery. As loss or damage is discovered while the shipment is being off loaded, the property owner should complete this form, using a ballpoint pen. The carrier is responsible for completing

Blocks 1 through 12. There are seven lines for entering loss or damage to the shipment. If more space is needed, a separate sheet of paper should be used (include basic identifying information on every continuation sheet) and place an "X" in the box to show continuation sheets were used. Tell property owners not to use the reverse side of the form. The form and any continuation sheets should be signed and dated by the property owner and the carrier's agent. The carrier retains the original and one copy of the form and any continuation sheets. The property owner retains the remaining copies (at least three).

Property owners should make no further entries on this form or any continuation sheets. Any loss or damage discovered after the carrier departs should be entered on the reverse side of the form, the DD Form 1840R, Notice of Loss or Damage. Follow the instructions on our web page for completing and submitting the DD Form 1840R (<http://www.fincen.uscg.mil/hhg.htm>).

If you are presented with a DD Form 1840R that has original entries on the DD Form 1840, you can be sure that the entries were made after delivery. Ensure those entries are entered on the



Useful web sites  
listed on  
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newsletter.

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DD Form 1840R before you dispatch it to the carrier.

You must also keep a log of DD Forms 1840R you receive and dispatch. At a minimum, the log should contain the property owner's name, the bill of lading number for the affected shipment, certified mail number, the dispatch date, and the date you received the return receipt.

## Lost potential carrier recovery...



Lost potential carrier recovery (PCR) is money that the Government cannot collect from a carrier or warehouse firm because a claimant failed to provide proper or timely notice of loss or damage. Unless a claimant can show good cause, claim settlement personnel deduct the entire amount of lost PCR on an item-by-item basis from the amount they would otherwise have awarded to a claimant.

In most cases, lost PCR results in 100 percent deduction on affected items to the property owner, because claim settlement personnel could otherwise have collected the entire amount of the loss or damage. When 100 percent deductions are necessary on all items claimed, the result is denial of the entire claim.

Because a claimant's failure to provide proper and timely notice on DD Forms 1840 and 1840R may cause a presumption that the loss or damage was not shipment related, claim settlement personnel use this failure to deny payment on one or more items apart from the issue of lost PCR. The longer the time period between delivery and the filing of claim without proper or timely notice on the DD Form 1840 or 1840R, the stronger the presumption.

When a claimant shows good cause for not submitting the DD Form 1840R within 75 days, claim settlement personnel make no deduction for lost PCR and no presumption about shipment loss or damage.

See the section on Carrier Notification in our Investigating Officer's Guide for Household Goods Claims. The guide is posted on our web page at <http://www.fincen.uscg.mil/hhq.htm>.

## Claim substantiation...

It's the claimant's responsibility to substantiate his or her claim. While no set rule exists as to how much proof a claimant must provide, FINCEN claim settlement officers may require the claimant to provide:

- A purchase receipt or other evidence to confirm the value of items for which more than \$100 is claimed.
- Evidence of ownership when claiming missing items that movers would normally have listed on an inventory, but did not.
- A repair estimate for internal damage to an item or for all other damage to an item for which the claimant claims more than \$100.

FINCEN claim settlement officers do not follow these standards rigidly, but consider the documentary evidence a claimant provides, the timeliness of the report of loss or damage, and the overall credibility of a claimant.

Many times, when a claimant says he or she cannot furnish receipts, cancelled checks or credit card statements for items purchased shortly before a move, the claimant loses credibility. A FINCEN claim settlement officer is likely to instruct the claimant to contact the store where an item was purchased to get a duplicate receipt.

## Personal statements...

In some cases, a statement by a claimant may be the only evidence available. For the most part, the personal statements we receive are too sparse and too general. Claim settlement officers need specifics describing the issue or why an item wasn't listed on the inventory. The statement should contain facts and the individual's personal knowledge of the situation involved.



There are times when such unusual circumstances surround a loss or damage that the

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settlement officer may require the claimant to submit a notarized statement.

## Photographs....



You know the old adage - a picture is worth a thousand words. Well, they are, but claim settlement officers need words, too! Often claim packages contain photographs that aren't labeled, described or detailed.

Photographs of damaged items are strongly encouraged. One or two photographs (depending on the size of the item) should be taken to show the overall item (what it is) and its overall condition. Then, if not clearly visible in the overall photographs, close-up photographs should be taken. Use a pen, pencil, or fingertip to point to scratches, chips, and gouges - use a ruler or post-it note to show the size.

Photographs should be mounted on one side of an 8 ½ X 11 sheet of paper, annotated with inventory numbers and descriptions of what is being viewed, what/where the damage is, etc.

Color photographs are preferred - remember these photographs will be copied and sent to the carrier when FINCEN asserts a carrier recovery claim. Digital pictures are permitted - just be sure to furnish information about each photograph taken.

## What full replacement value (FRV) protection means...

More and more, Coast Guard members arrange to have their property released to the carrier with full replacement value protection. But few of them really understand what that protection means.

FRV entitles the property owner to the full, undepreciated value of lost or destroyed items. For items that are damaged, the carrier has the option of repairing them or making a monetary settlement.

Problems generally arise when the property owner believes they are entitled to get a new item because the one they shipped is damaged in

transit. Only items that have been lost or destroyed are replaced.

Most carriers settle FRV claims promptly and fairly. If the carrier fails to settle the claim within 60 days or makes an unacceptable settlement offer, then the claim may be sent to the Claim Section along with any and all documentation from the carrier.

## Claims on self-performed moves...

Self-performed move? What's that? You know it by its old name - "Do It Yourself" or DITY move. The property owner receives an incentive payment for the move because they perform their own packing, loading, transporting, off loading, and unpacking. Claims for loss or damaged property generally aren't payable when a self-performed move is made.

Claim settlement personnel pay a claim only when the loss or damage results from events outside of the claimant's control. An example of a payable claim would be if the vehicle being used to transport the property is stolen. If the claimant promptly reports the theft to the police, furnishes a copy of the police report, demonstrates that he or she took reasonable precautions to safeguard and secure the vehicle, and furnishes an inventory of the goods, the claim would be paid for the lost or damaged personal property only. The claimant must settle with the vehicle rental company or their private insurer for the missing vehicle.



## Is it antique or just old furniture?

Since there is usually a wide variance of opinion as to the value of antiques, clear and convincing evidence of the same must be presented to justify payment. In order to qualify as an antique, an item must be, according to the

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U.S. Customs Service, at least 100 years old. For items newer than that, independent evidence must be presented or be available to prove that the item so qualifies.

For those items that qualify as antiques, the claimant may be compensated up to the generally recognized value of the items. In such instances, the claimant will be required to prove that the item possesses a demonstrably inherent value regardless of its purchase price, the place where it was purchased, the prestige of the label it bears, or its sentimental or personal attraction. The mere fact that an isolated appraiser might be found who could assign a value to it in excess of its purchase price does not meet this burden of proof. In the absence of credible evidence of value, reimbursement should be limited to out-of-pocket loss, or the reasonable replacement price of a substantially similar substitute item.

An appraisal of value after an item turns up missing has absolutely no credibility. No one can make an honest assessment of an item's value without actually examining the item.

## I made it myself...

When items created by the claimant are lost or destroyed, claim settlement personnel may only pay for the cost of materials used in the item's creation or for any independently established marketable value for the item.

## Reasonable or useful property...



One of the basic restrictions of the Personnel Claims Act is that the claim settlement authority (FINCEN) may pay a claim only when the claimant's possession of the property was reasonable or useful under the circumstances.

No payment will be made for any type of money, including coin collections, lost in shipment or storage.

The Coast Guard does not consider business property to be reasonable or useful for military service or employment. Therefore, claim settlement personnel do not pay for property that claimants acquire and keep for resale or for use in a private business or enterprise.

Claim settlement personnel also do not pay for contraband and other items that claimants illegally acquire, possess, or transport. We cannot consider seizure by customs inspectors or other law enforcement personnel as loss or damage incident to service.

Claim settlement personnel do not pay for items whose only purpose is to violate the law, such as radar detectors.

As a CIO, if you're unsure whether claimed items are reasonable or useful for military service or employment, contact FINCEN claim settlement personnel.

## Claim statistics...

Our goal is to process 80 percent of all claims in 10 days or less. We receive large numbers of claims in September, October, November and December each year - but we still expect to maintain our goal.

Statistics for FY 2002 are:

- Processed payment to claimants in an average of 10 days.
- Paid more than \$693,000 to claimants.
- Collected more than \$381,000 from carriers.

Since the function transferred to FINCEN in 1998, we've paid Coast Guard claimants more than \$3.1M.

## CIO training...

Claims personnel conducted training for CIOs throughout 2002. We are planning to conduct a training session at the Finance Center in February or March 2003. Any command willing to host a regional workshop should send an email to [shubbard@fincen.uscg.mil](mailto:shubbard@fincen.uscg.mil). Commands sending personnel for training will be responsible for funding travel and per diem costs.

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## Household Goods Claims Points of Contact

- YN2 Clevon Daye, Administrative Specialist, 757-366-6504; email: [cdaye@fincen.uscg.mil](mailto:cdaye@fincen.uscg.mil)
- Robin Smithling, Lead Claim Settlement Officer, 757-366-6505; e-mail: [rsmithling@fincen.uscg.mil](mailto:rsmithling@fincen.uscg.mil)
- Gail Stephenson, Claim Settlement Officer, 757-366-6507; email: [gstephenson@fincen.uscg.mil](mailto:gstephenson@fincen.uscg.mil)
  - Phyllis Howell, Claim Settlement Officer, 757-366-6515; email: [phowell@fincen.uscg.mil](mailto:phowell@fincen.uscg.mil)
- Susan Hubbard, CCP, Chief, Claims Section, 757-523-6947; e-mail: [shubbard@fincen.uscg.mil](mailto:shubbard@fincen.uscg.mil)  
FAX 757-366-6541

### Mail claim packages to:

Household Goods Claims & Carrier Recoveries  
U. S. Coast Guard Finance Center  
P. O. Box 4121  
Chesapeake VA 23327-4121

Visit us on the web at <http://www.fincen.uscg.mil/hhg.htm>

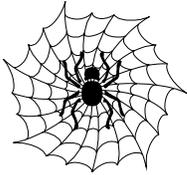
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Here are web sites good for research on the value of items

For china replacements

<http://www.replacements.com/>

<http://www.chinapatterns.com/company.html>



For office equipment, supplies, etc.

<http://www.staples.com/>

<http://www.officedepot.com/>

<http://www.officemax.com/>

Use this search engine to find almost anything

<http://www.google.com/>

The site below is probably one of the most comprehensive sites for military moves we've ever seen. Please encourage shippers to visit this site.

<http://www.defenselink.mil/specials/itsyourmove/>

Need information on shipping a POV - go to this site and download information on shipping locations and the POV shipping guide

<http://www.mtmc.army.mil> - click on Personal Property tab - then click on POV

Shippers can check the status of their POV shipment at the following site

[www.whereismypov.com](http://www.whereismypov.com)