



United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

B-265682

February 20, 1996

Bobby L. Cates
Resource Protection
P.O. Box 3417
Tampa, FL 33601-3417

Dear Mr. Cates:

This is in response to your letter of July 28, 1995, appealing settlement No. Z-151685(92) denying your requested reimbursement of \$691 collected by the United States Army from Allied Intermodal Forwarders, Inc., for loss/damage to a shipment of household goods of Richard Spears, which moved under GBL #SP-336,288.

Allied picked up the shipment from nontemporary storage in Denver, Colorado, on July 1, 1992. At that time the shipment had been in storage for 11 years. When the shipment was delivered to Fayetteville, Pennsylvania, the member noted that several tools were missing. The claim was settled by the Army which setoff \$691 from funds otherwise due Allied.

When the household goods were picked up at the storage facility, the original inventory was not available. Allied's driver prepared a new inventory of the items tendered to it and the inventory was signed by the warehouseman. According to Allied the warehouseman indicated that there had been a partial delivery out of storage sometime during the 11-year period because the original storage shipment was reduced in size.

You contend that the preparation of the new inventory was the only action available to the Allied driver and since delivery was made of all items tendered to Allied, there should be no liability for the missing items.

We disagree. As the Army points out in its administrative report, when it became apparent that the original inventory was not at the warehouse, the driver should have contacted the agency to ascertain if it had a copy of the original inventory or

to obtain instructions as to how the agency wanted the matter handled. By drawing up its own inventory on the shipment and failing to consult with the Army when it was aware that the shipment had been in storage for such a long period of time and that a partial shipment out of storage had allegedly been made, Allied assumed the risk of any missing items from the original inventory.¹ See Caisson Forwarding Company, Inc., B-256686, Nov. 7, 1994, where carrier failed to obtain a legible copy of inventory as required by Tender of Service and was liable for not taking exception to missing item.

Further, you argue that Allied's actions were proper in view of the fact that it could have been suspended under the agency's "Total Quality Assurance Program" for 30 days for turning back a shipment with less than 5 days' notice from the pickup date. We do not believe it would be reasonable to conclude that Allied would have been suspended. Here, through no fault of the carrier, the records necessary to properly take the shipment out of storage were not available.

Finally, you contend that the items should have been depreciated for the 11 years they spent in storage. It is true that the Army was obligated to consider the possibility of depreciation of these items during nontemporary storage. Forgarty Van Lines, B-248982, Aug. 16, 1993. The record shows that the agency in fact did so. For example, one of the missing tools, a maul, was not depreciated because without use it would not deteriorate while a missing chain saw, which has parts which can deteriorate without oiling and proper care, was depreciated by 25 percent of the replacement cost. We find that the agency acted properly by considering the nature of the items and the fact that items were not subject to use in its depreciation analysis.

We affirm the Claims Group settlement.

Sincerely yours,

/s/Lowell Dodge
for Robert P. Murphy
General Counsel

¹The Army was subsequently able to locate the original inventory. It included all of the missing items.

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DIGEST

Carrier, which picked up shipment of household goods which had been in nontemporary storage for 11 years and wrote a new inventory for the shipment when original inventory was not furnished by warehouseman, is liable for items missing from original shipment, especially in view of the fact that there had been a shipment out of storage at some time earlier. Carrier should have contacted service, which had copy of original inventory, to obtain instructions as to proper course of action.