

PART 317—BONDING OF SHIP'S PERSONNEL

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AUTHORITY: Sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114.

SOURCE: AGE-3, 16 FR 6751, July 12, 1951, unless otherwise noted. Redesignated at 45 FR 44587, July 1, 1980.

Section 1 What this order does.

This order requires that General Agents, appointed under Service Agreement "G.A.A., 3/19/51" shall not advance or entrust any monies or slop chest property of the United States to a master, purser or any other member of the ship's personnel unless such person is under a bond indemnifying the United States against loss of such monies or property caused solely or in part by the dishonesty or lack of care of any such person in the performance of the duties of any petition covered by the bond.

Sec. 2 Amount of bond.

The amount of the bond must be governed by the amount of monies advanced or value of slop chest property entrusted, and shall, at all times, not be less than the value of slop chest property entrusted plus advances of monies for which a satisfactory accounting has not been made.

Sec. 3 Premiums.

The bonds provided for shall be furnished without cost to the National Shipping Authority, but the cost of the premiums of such bonds shall be included in the overhead expense of the General Agent.

Sec. 4 Posting of bond.

The General Agent shall retain an executed copy of each such bond in its principal office for examination by the National Shipping Authority at any time.

[Amdt. 1, 16 FR 9527, Sept. 19, 1951. Redesignated at 45 FR 44587, July 1, 1980]

Sec. 5 Measures to protect ship's payrolls.

(a) General Agents are not required to consider the amount of the payroll delivered to the Master at the conclusion of a voyage in determining the amount of bond required for any one person filling a bonded position hereunder. However, the person paying off the crew should be either the Master, or purser, or some other member of the ship's personnel acting for the Master who has been bonded pursuant to this order. If, however, the person paying off is a shoreside employee of the General Agent, such employee shall be bonded under the General Agents' general fidelity bond.

(b) The principal risk involved where payrolls are delivered to a vessel at the conclusion of a voyage is loss through hold-up. Therefore, reasonable protection shall be taken by all General Agents where payrolls are delivered to a vessel or elsewhere. Because the circumstances of each case will vary, the General Agents shall use their best judgment in determining whether armored car service, armed guards or similar types of protection should be employed (in other words, the General Agents should follow their usual practices). The cost of these services may be included in vessel operating expenses.

(c) General Agents are not required to purchase hold-up insurance, since subject to the terms, conditions and limitations of Service Agreement "G.A.A., 3/19/51" losses resulting from this exposure are assumed by the National Shipping Authority.

Sec. 6 Surety and form of bond.

Each bond provided for by this order shall be duly executed by an authorized surety appearing on the current approved list of companies acceptable as sureties on Federal bonds published by the U.S. Treasury Department. The form of bond required by the National Shipping Authority to be used by the General Agents shall be as follows: