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CMA CGM pays $1.975m fine in the US

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Port of Los Angeles

The Federal Maritime Commission has entered into compromise agreements with three different companies resulting in the collection of more than $2.3min civil penalty payments, and commitments by each company to reform specific business practices.

French liner CMA CGM copped the biggest fine, paying $1.975m to resolve allegations that it over-broadly defined and applied its definition of merchant in a bill of lading to demand payment from a third party who should not have been billed.

Vanguard Logistics Services, an American ocean transportation intermediary (OTI), paid $175,000 to resolve allegations that it knowingly and willfully accepted cargo from, or transported cargo for, the accounts of OTIs that did not have bonds, insurance, or other sureties as required by law.

Shipco Transport, another OTI, paid $155,000 to resolve three allegations of misconduct. First, that it knowingly and willfully accepted cargo from or transported cargo for the accounts of OTIs that did not have bonds, insurance, or other sureties as required by law. Second, that it allowed an unlicensed OTI to obtain transportation for property at less than the rates or charges that would otherwise be applicable. Third, that it allowed another OTI to obtain transportation for property at less than the rates or charges that would otherwise be applicable by providing access to service contracts of an ocean common carrier to which the OTI was not a signatory.

Compromise agreements are reached prior to the commission initiating formal enforcement actions. The three companies did not admit to any violations of the law.