



CULMEN
INTERNATIONAL, LLC

Sanctions Compliance Vessel Tracking & Screening

Port Klang, Malaysia
26-27 September 2024

By Captain Retd. Neil Watts

A leader in International Security, Logistics, Humanitarian Assistance, and Technology solutions

www.culmen.com

Deception to circumvent sanctions

- **Physical changes**
 - **Digital Deception**
 - **Identity swapping**
 - **Ship to Ship Transfers (STS)**
 - **Flag Hopping**
 - **Obfuscation – Beneficial ownership/operator? [Shadow fleets]**
- ✓ **Due Diligence Using Open-Source DatabasesPort of Registry**

Physical Deception - Alterations

Removing nationality indicators

- **Registered flag nationality – E.g. North Korea to Cambodia**
- **False flag or absent**
- **Fake information in Pre-arrival notice or AIS**
- **Funnel DPRK flag**
- **Funnel paint scheme**
- **Port of Registry**

Physical Deception - Alterations

Removing nationality indicators

- Registered flag nationality – North Korea to Cambodia
- Funnel DPRK flag
- Funnel paint scheme
- Port of Registry



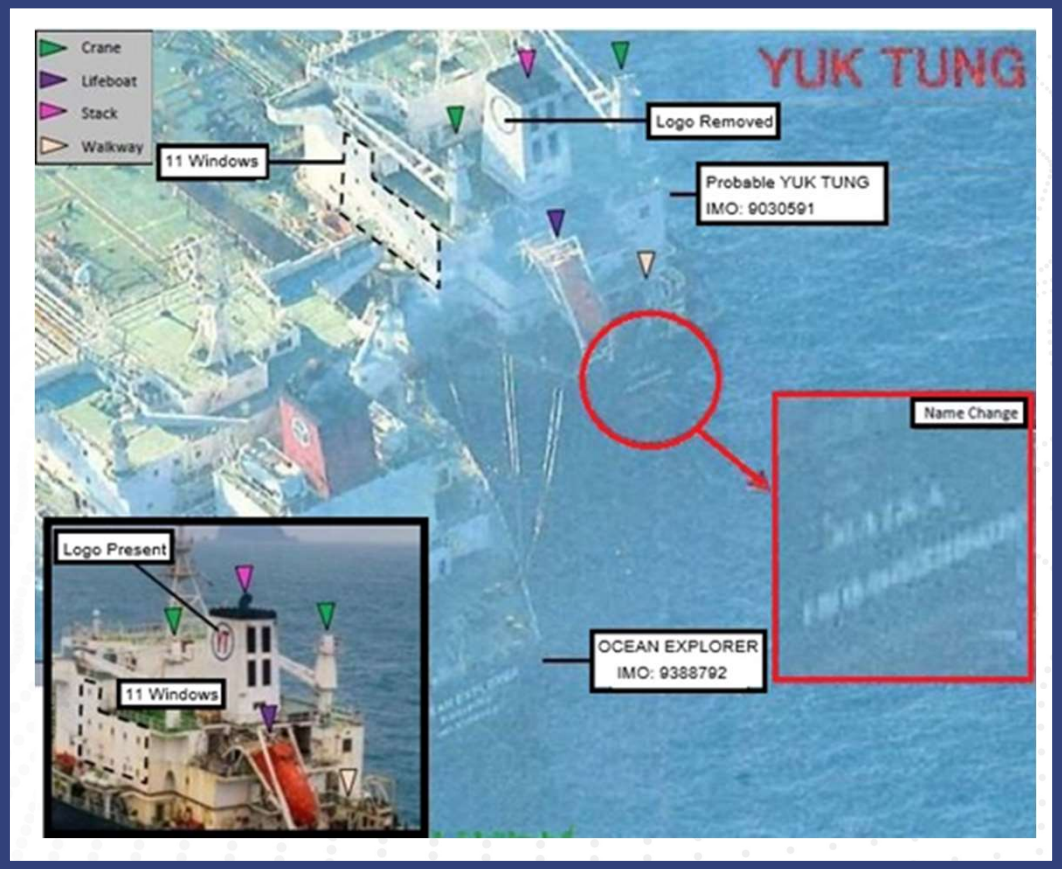
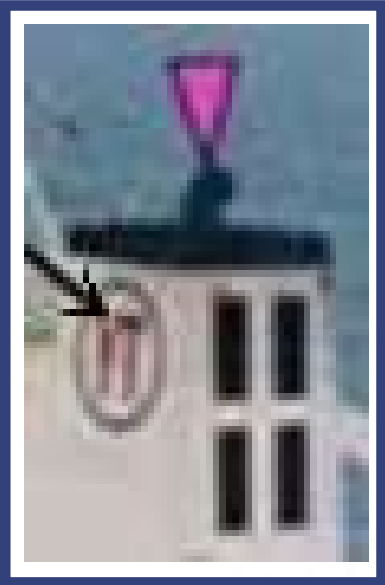
Physical Deception - Alterations

- Paint out original names
- Paint new names & IMO numbers
- Alter IMO numbers
- Paint new Port of Registry



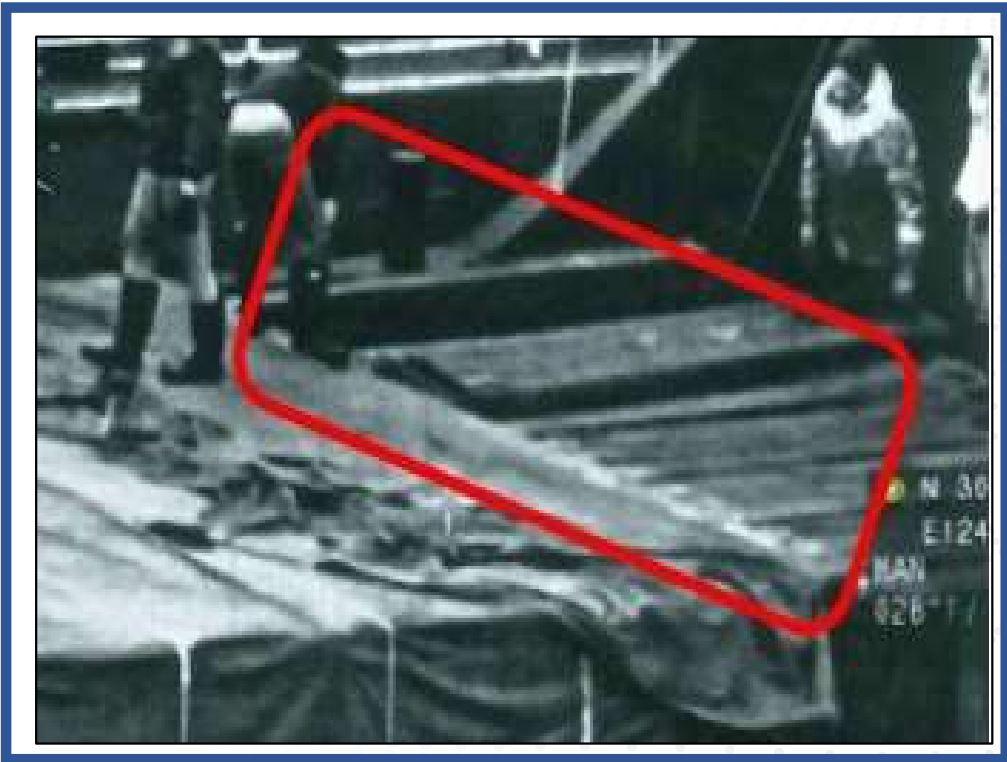
Physical Deception - Alterations

Paint over original markings



Physical Deception - Alterations

Build false cargo hatches to disguise tankers as bulk carriers



Physical Deception - Alterations

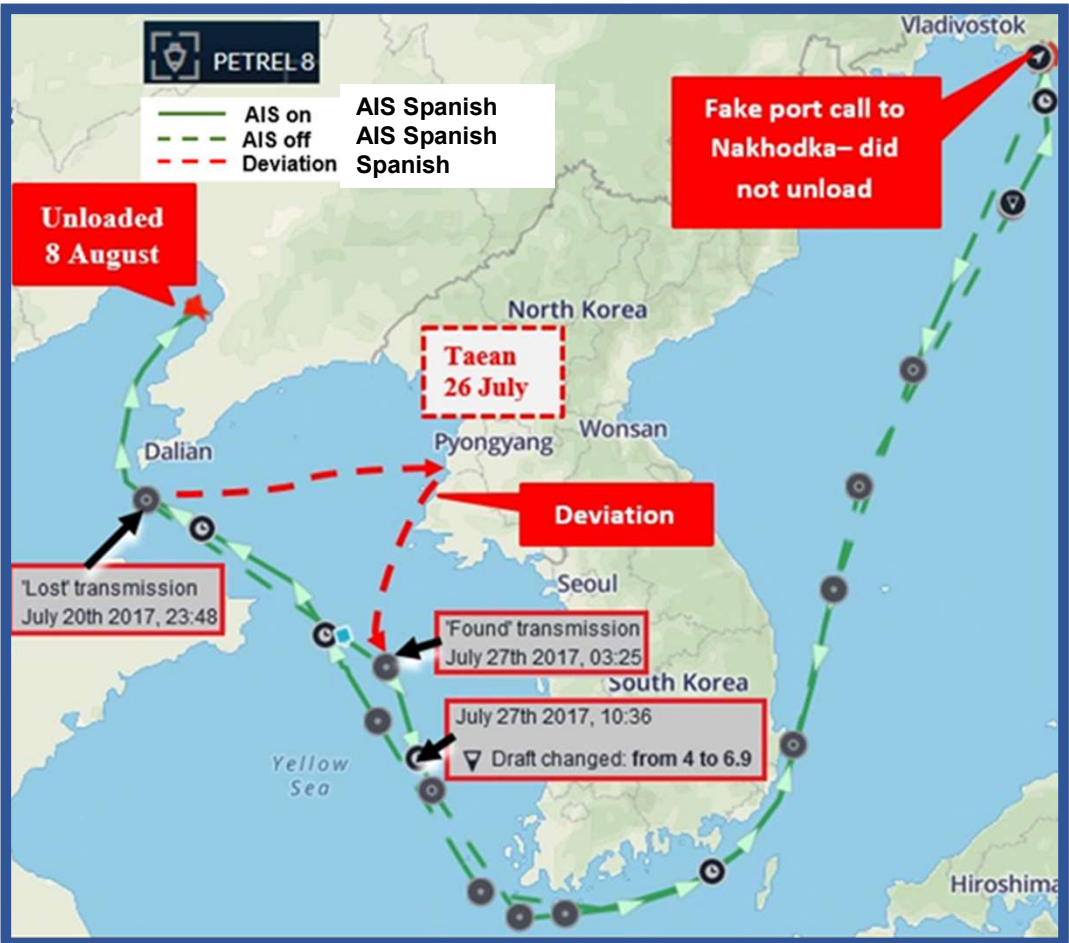
Complete identity change in a Chinese shipyard

Xin Sheng Hai = Talent Ace



Digital Deception - AIS Manipulation

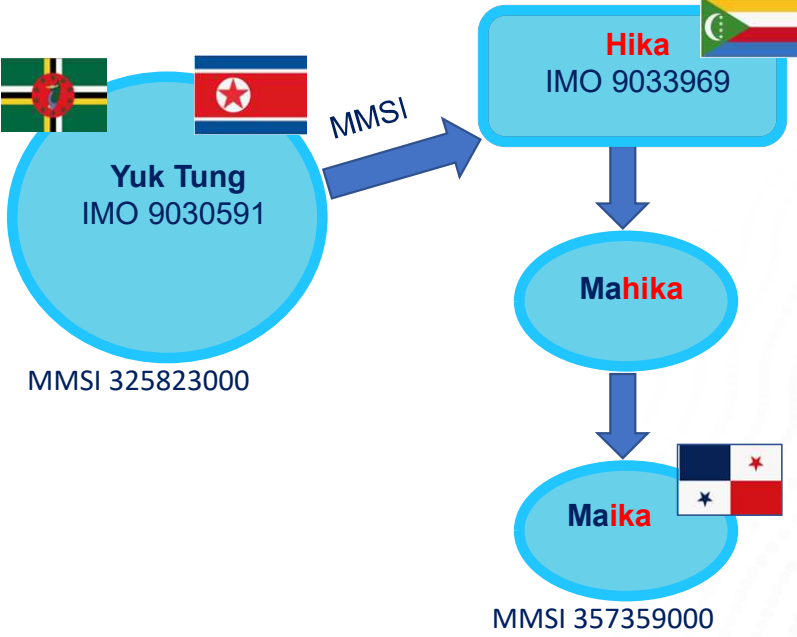
- Electronic deception
- Automatic identification systems (AIS)
- Maritime Mobile Service Identity (MMSI)
- AIS decoys & spoofing
- Hide deviations and port calls
- Data – alter vessel characteristics



Digital Deception - AIS Manipulation

Spoofting

MMSI numbers deliberately falsified to appear in two locations at the same time



The screenshot shows an AIS tracking interface. At the top is a map of the Indian Ocean region with red arrows pointing to the locations of Hika and Maika. Below the map are two detailed vessel information panels. The left panel is for **HIKA** (IMO 9033969, MMSI 620407000, Call sign D6A2407, Flag Comoros). It shows a status of "LOST" and a message: "AIS data was not received for 2d 11h 12m". The right panel is for **MAIKA** (IMO 9033969, MMSI 357359000, Call sign 3EXY9, Flag Panama). It shows a status of "MAIKA" and a message: "Destination changed from LOME to . Name changed from MAHIKA to MAIKA. ETA changed from January 6th 2018, 17:00 to April 12th 2018, 18:30. Draft changed from 6 to 6.5".

Digital Deception - AIS Manipulation

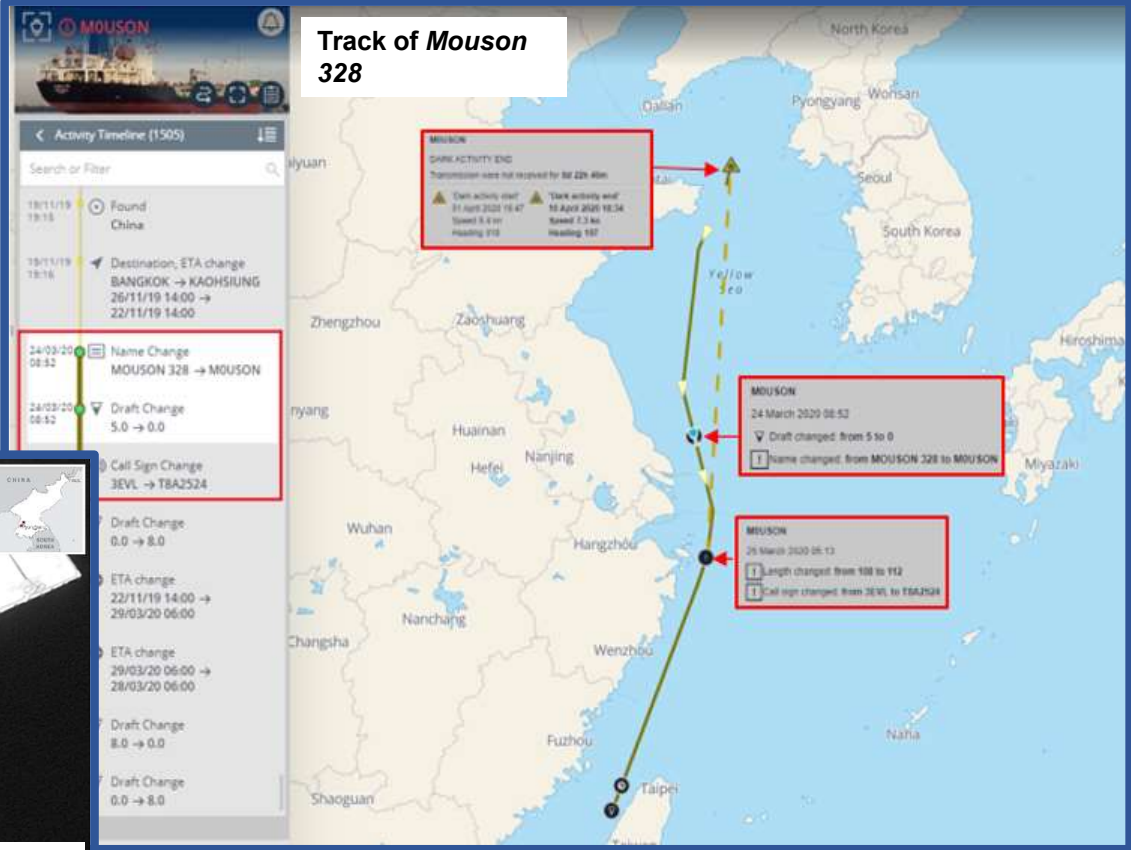
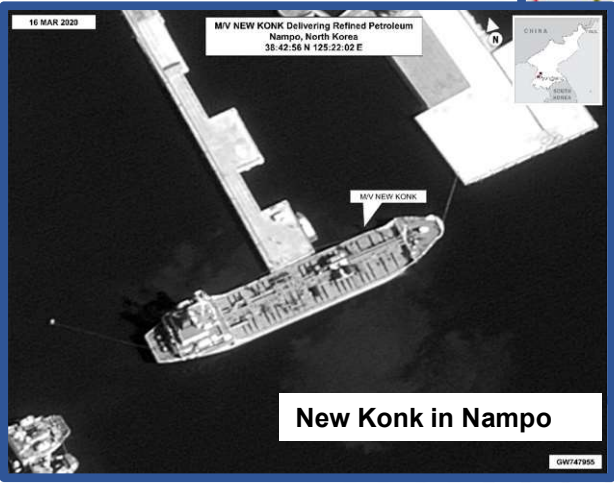
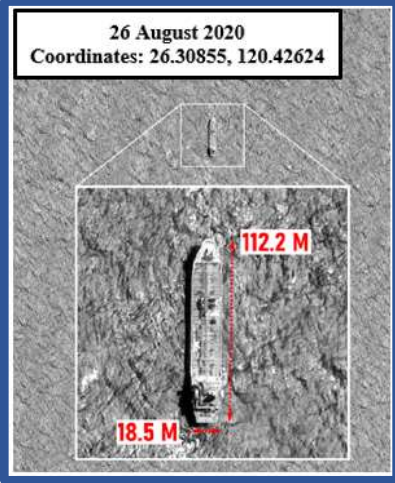
Selective transmitter deception



AIS Manipulation: Swapping identities

Identity swapping through:

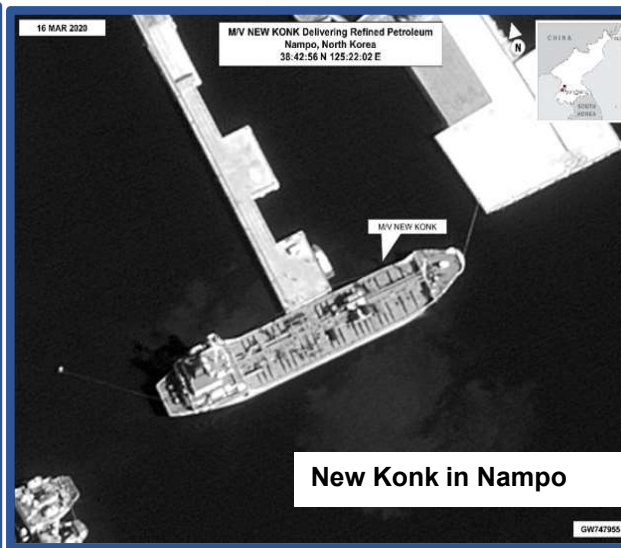
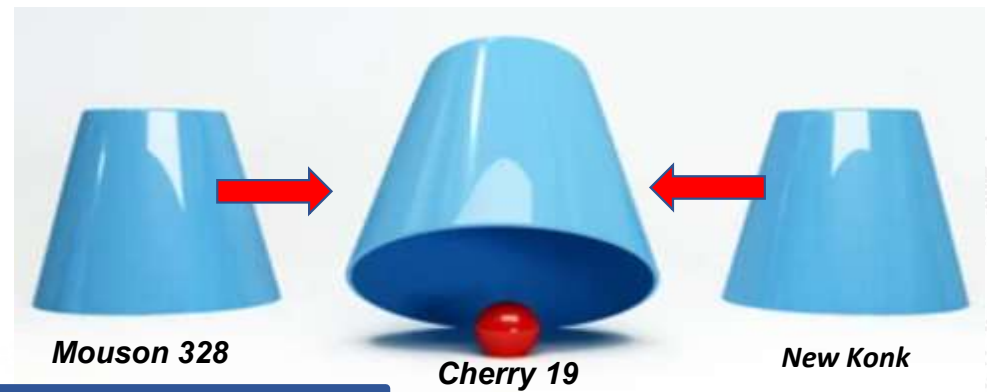
- fraudulent registration profiles
- physical modifications
- manipulation of AIS



AIS Manipulation: Swapping identities

Identity swapping through:

- Fraudulent registration profiles
- Physical modifications
- Manipulation of AIS



Vessel screening

Dark fleets and designated vessels

- What is the Dark Fleet?
- About 1,100 to 1,400 dark fleet vessel
- Dark fleet vs gray fleet
- Conceal the origin and destination of sanctioned oil
- Conceal beneficial owners

Sanctioned vessels

- UN sanctions – Libya, North Korea (59)
- 704 sanctioned vessels
- 27 vessels by EU and 72 vessels by OFAC

How to recognize Dark Fleet vessels:

- **Disabled AIS transmitter**
- **Unusual behavior**
- **Ownership registration**
- **Older ships**

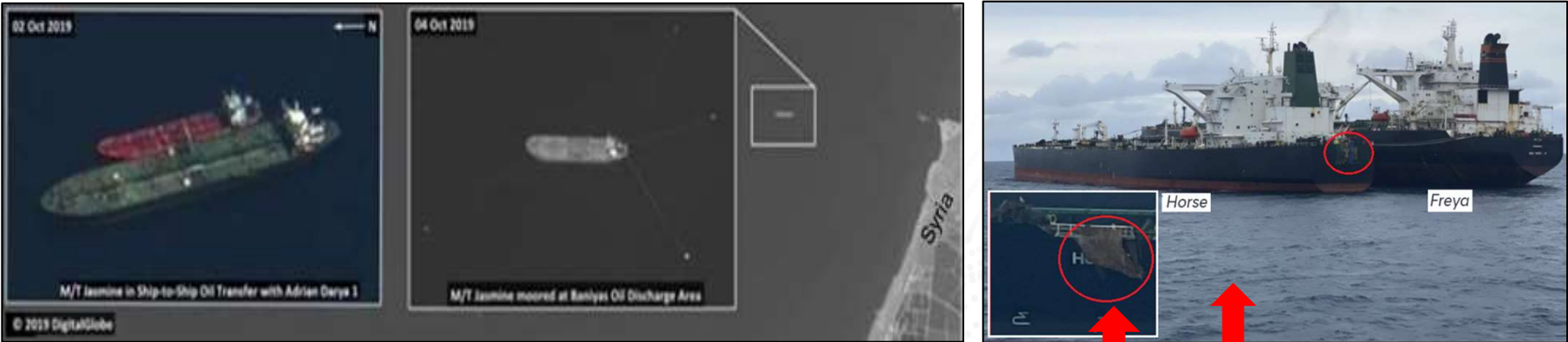
Ship-to-ship transfers

Why ship-to-ship transfers?

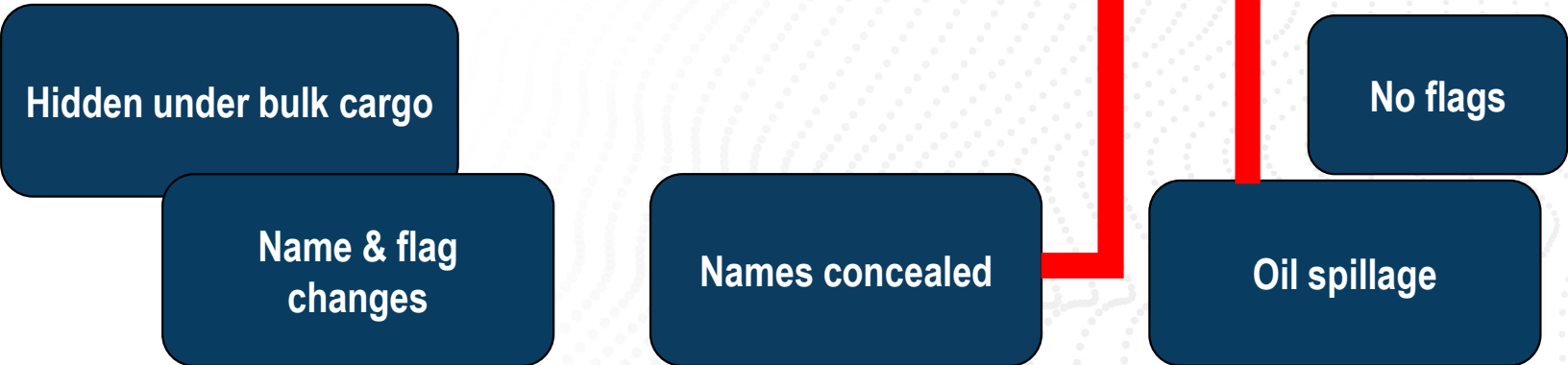
- Evade scrutiny by port authorities
- Avoid export controls
- Circumvent accounting
- Diminish data for the UN caps on DPRK imports
- Obscure origin & destination
- Hide complicit actors



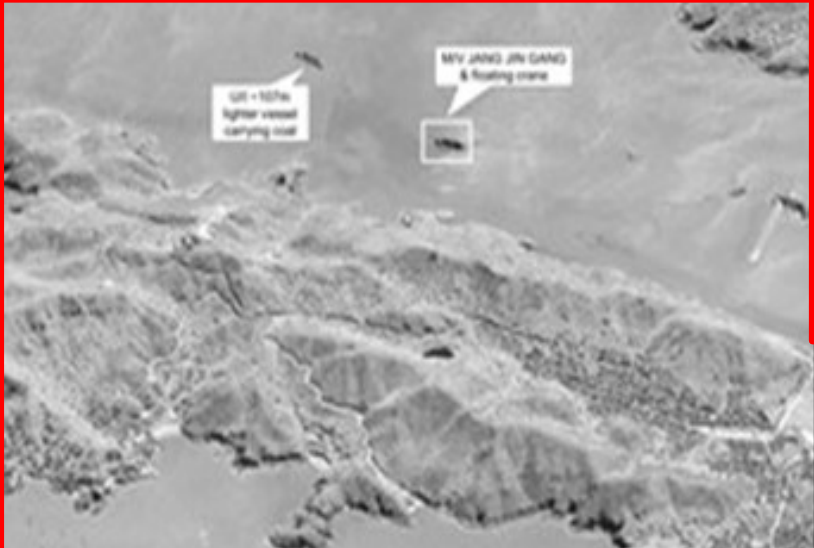
Ship-to-ship transfers



**Grace 1
(Iran)**



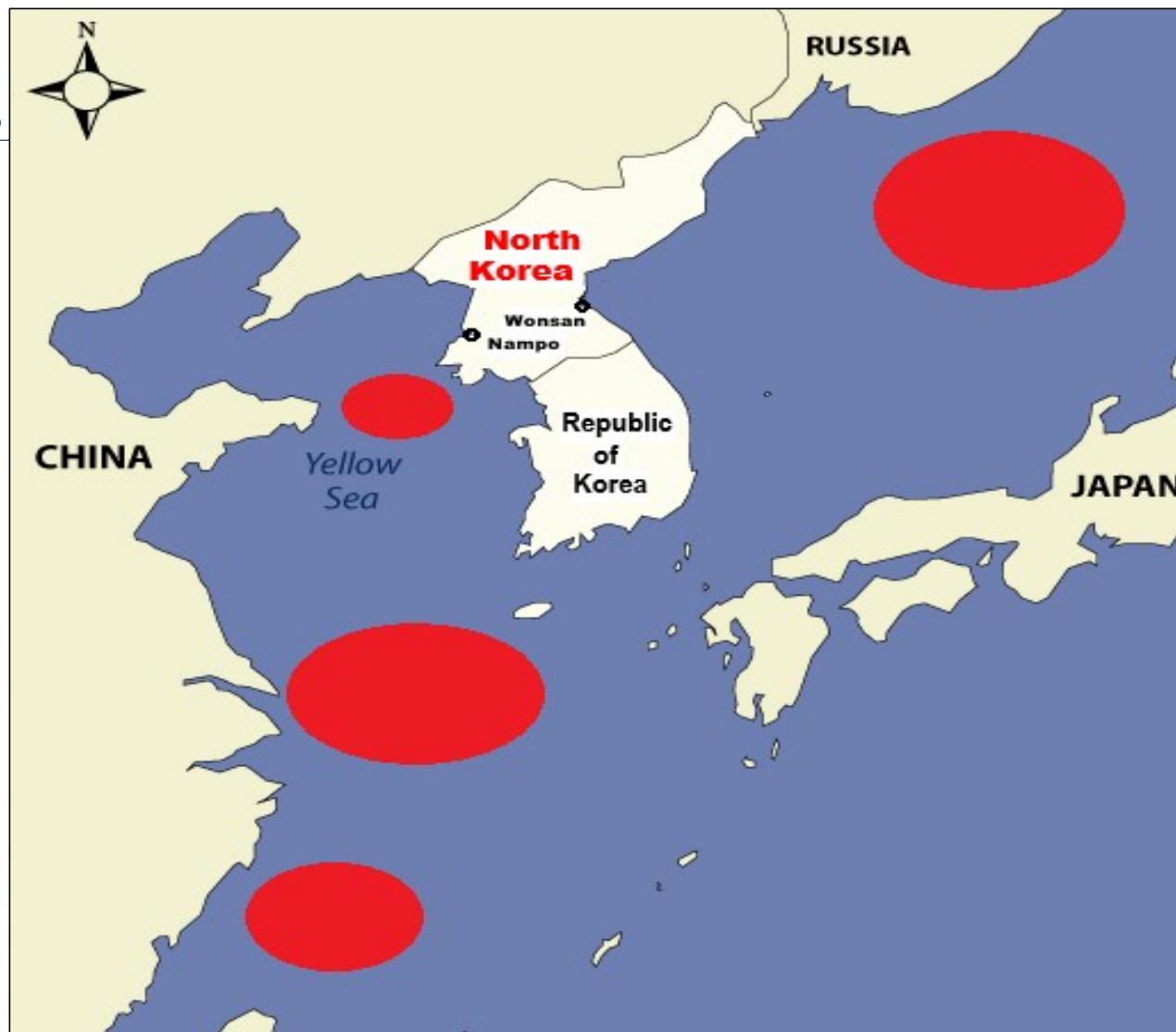
Ship-to-ship transfers



**Transfer area:
Nigbo,
Zoushan China**

Ship-to-ship transfers

High risk areas and international waters used for STS transfers involving NK associated vessels



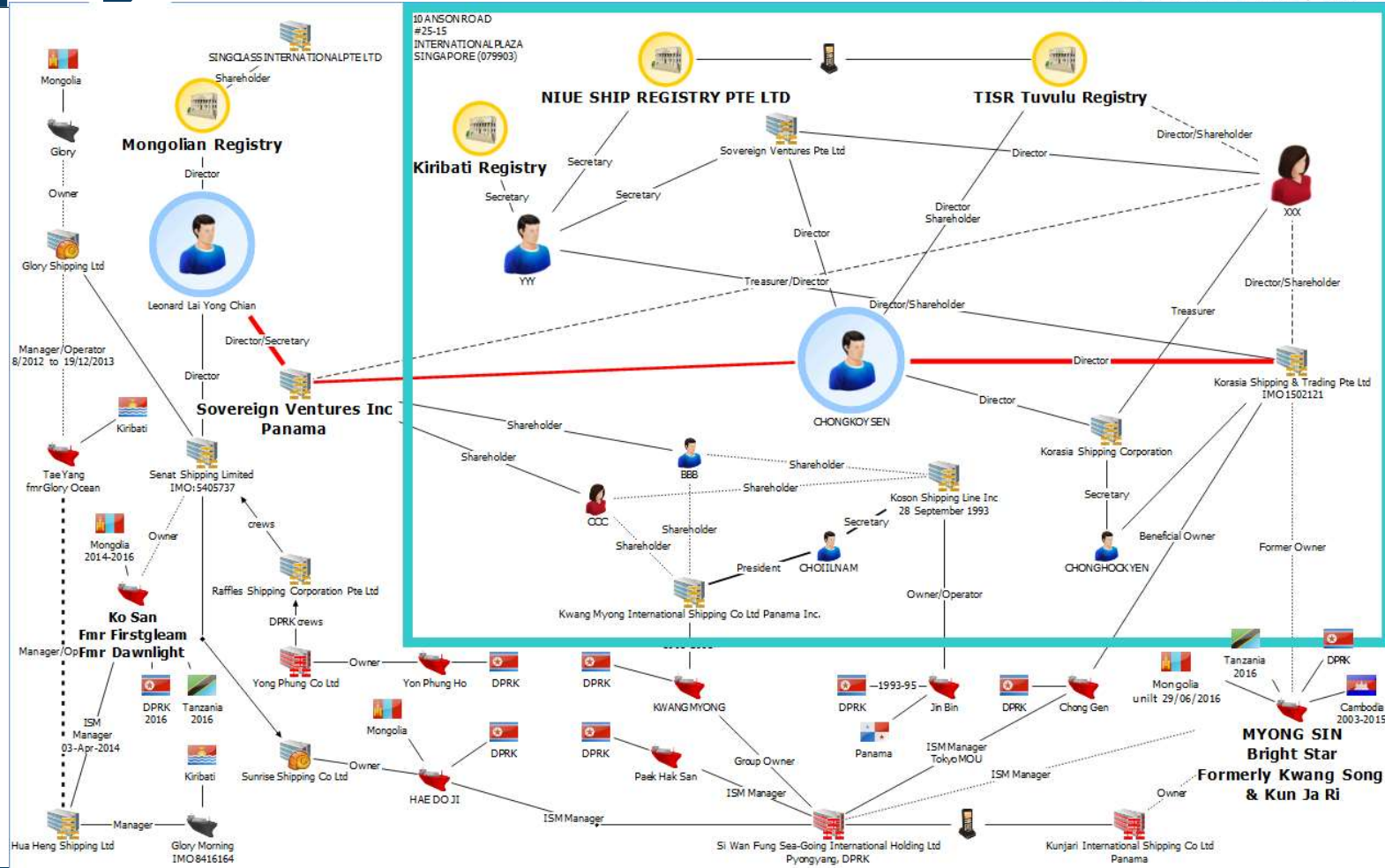
Flag-hopping

Flag-hopping examples

Name	Previous flag	New flag
Oriental Lady	North Korea	Sierra Leone
Shakil No.2	North Korea	Niger
E.Morning	Mongolia	Tanzania (Zanzibar)
Jinming 1	Mongolia	Tanzania (Zanzibar)
Northern Luck	Mongolia	Tanzania (Zanzibar)
Victory 2	Mongolia	Tanzania (Zanzibar)
Wan Long Hai	Mongolia	Togo
Wise Honest	Sierra Leone	Tanzania (Zanzibar)

Flag-hopping

Flag registry network in Singapore - Senat and Korasia



Flag-hopping

Wise Honest: Falsely Dual-listed to Evade Coal Sanctions









Indonesia reported in 2018 that it inspected the ship and found one set of registration and crew documents under the Sierra Leone flag and another under the North Korean flag.



Flag Hopping

Wise Honest

Example using
the Tokyo MOU
database

Date	Place	Ship Name	Callsign	MMSI	Flag
23.07.2017	 Nakhodka (Russian Federation)	WISE HONEST	HMZE4	445582000	Korea, Democratic People's Republic of
22.05.2017	 Yantai (China)	WISE HONEST	HMZE4	445582000	Korea, Democratic People's Republic of
03.01.2017	 Nantong (China)	WISE HONEST	HMZE4	445582000	Korea, Democratic People's Republic of
24.10.2016	 Taizhou, Jiangsu (China)	WISE HONEST	5IM4729	677092900	Tanzania, United Republic of
23.05.2016	 Rizhao (China)	WISE HONEST	9LU2230	667001427	Sierra Leone
16.12.2015	 Nantong (China)	WISE HONEST	9LU2230	667001427	Sierra Leone
31.05.2015	 Yantai (China)	SONG I	XUJV2	514947000	Cambodia
04.01.2015	 Tauranga (New Zealand)	ENY	DSNV5	440338000	Korea, Republic of

Sanctioned vessels

Vessel post-boarding & search activities

Key decisions impacting ports

- ✓ **WHERE** to berth or moor the vessel will be moored
- ✓ **WHO** will provide security for the vessel & cargo
- ✓ **WHAT** to do with seized cargo
- ✓ **WHO** will be responsible for the crew
- ✓ **WHAT** will be done with the crew
- ✓ **DISPOSAL**
- ✓ **REPORTING** – UN and flag state



Due Diligence Using Open-Source Databases



Due Diligence Using Open-Source Databases

main.un.org/securitycouncil/en

Welcome to the United Nations العربية 中文 English Français

United Nations Security Council

Home About Programme of Work Decisions and Outcomes Meetings and Documents **Sanctions Committees** Other Subsidiary Organs Research Tools

Home

Peace and Security

The Security Council has primary responsibility for the maintenance of international peace and security. It has 15 Members, and each Member State has one vote. Under the Charter of the United Nations, all Member States are required to comply with Council decisions.

The Security Council takes the lead in determining the existence of a threat to international peace or act of aggression. It calls upon the parties to a dispute to settle their dispute by peaceful means and recommends methods of adjustment or terms of settlement. In some cases, the Security Council can resort to imposing sanctions or authorizing the use of force to maintain or restore international peace and security.



United Nations

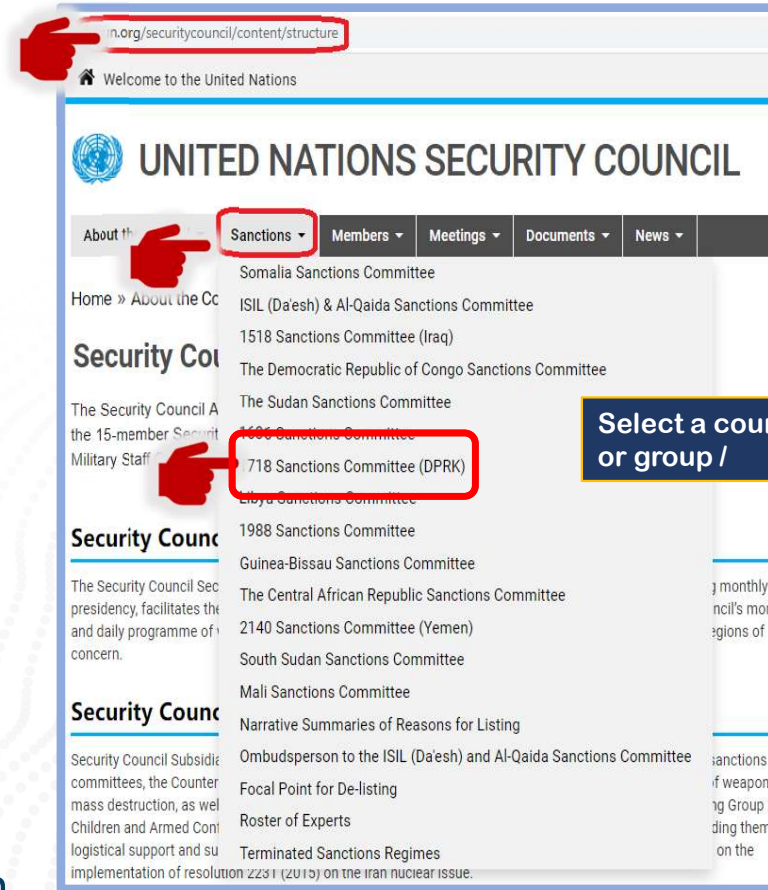
Security Council

SANCTIONS COMMITTEES

- Al-Shabaab Sanctions Committee
- ISIL (Da'esh) & Al-Qaida Sanctions Committee
- 1518 Sanctions Committee (Iraq)
- The Democratic Republic of Congo Sanctions Committee
- The Sudan Sanctions Committee
- 1636 Sanctions Committee
- 1718 Sanctions Committee (DPRK)
- Libya Sanctions Committee
- 1988 Sanctions Committee
- Guinea-Bissau Sanctions Committee
- The Central African Republic Sanctions Committee
- 2140 Sanctions Committee (Yemen)
- South Sudan Sanctions Committee
- 2653 Sanctions Committee (Haiti)
- Ombudsperson to the ISIL (Da'esh) and Al-Qaida Sanctions Committee
- Consolidated List

<https://main.un.org/securitycouncil/en>

Due Diligence Using Open-Source Databases



<https://main.un.org/securitycouncil/en>

Due Diligence Using Open-Source Databases

The image shows a screenshot of the United Nations Security Council website. The header features the UN logo and the text "UNITED NATIONS SECURITY COUNCIL". Below the header is a navigation bar with tabs for "About the Council", "Sanctions", "Members", "Meetings", "Documents", and "News". The "Sanctions" tab is selected, and a dropdown menu is open. The dropdown menu contains the following items: "Sanctions List Materials", "Resolutions", "Committee Guidelines", "Exemptions to the Measures", "Press Releases", "Panel of Experts", "Selected Documents", "Implementation Reports", and "Annual Reports". A sub-menu is open under "Sanctions List Materials", listing: "Narrative Summaries", "Informal Compilation of Original Script (Korean) of Designated Entities and Individuals", "Procedures for Listing", "Procedures for Delisting", and "1718 Designated Vessels List". Three blue hand icons with yellow highlights are pointing to "Sanctions List Materials", "Narrative Summaries", and "1718 Designated Vessels List".

Due Diligence Using Open-Source Databases

The image shows a screenshot of the United Nations Security Council website. The main header reads "UNITED NATIONS SECURITY COUNCIL". Below the header is a navigation bar with tabs: "About the Council", "Sanctions", "Members", "Meetings", "Documents", and "News". The "Sanctions" tab is active, and a dropdown menu is open. The dropdown menu contains the following items: "Sanctions List Materials", "Resolutions", "Exemptions to the Measures", "Press Releases", "Panel of Experts", "Selected Documents", "Implementation Reports", and "Annual Reports". A secondary dropdown menu is open from "Sanctions List Materials", listing: "Narrative Summaries", "Informal Compilation of Original Script (Korean) of Designated Entities and Individuals", "Procedures for Listing", "Procedures for Delisting", and "1718 Designated Vessels List". Three blue hand icons with yellow highlights point to "Sanctions List Materials", "Narrative Summaries", and "1718 Designated Vessels List". A dark blue callout box with white text says "Select narrative summary for individuals or entities, or a vessel".

Select narrative summary for individuals or entities, or a vessel

Due Diligence Using Open-Source Databases

The screenshot shows the UN Security Council website with the following elements:

- URL: www.un.org/securitycouncil/content/structure (highlighted with a red box and arrow)
- Language selection: Arabic, 中文, English
- Navigation menu: About the Council, **Sanctions** (highlighted with a red box and arrow), Members, Meetings, Documents, News
- Sanctions list (highlighted with a red box and arrow):
 - Somalia Sanctions Committee
 - ISIL (Da'esh) & Al-Qaida Sanctions Committee
 - 1518 Sanctions Committee (Iraq)
 - The Democratic Republic of Congo Sanctions Committee
 - The Sudan Sanctions Committee
 - 1606 Sanctions Committee
 - 1718 Sanctions Committee (DPRK)** (highlighted with a red box)
 - Libya Sanctions Committee
 - 1988 Sanctions Committee
 - Guinea-Bissau Sanctions Committee
 - The Central African Republic Sanctions Committee
 - 2140 Sanctions Committee (Yemen)
 - South Sudan Sanctions Committee
 - Mali Sanctions Committee
 - Narrative Summaries of Reasons for Listing
 - Ombudsperson to the ISIL (Da'esh) and Al-Qaida Sanctions Committee
 - Focal Point for De-listing
 - Roster of Experts
 - Terminated Sanctions Regimes

Callout boxes provide instructions:

- Go to the UN Security Council Website** (points to the URL)
- Select a country or group** (points to the DPRK committee)

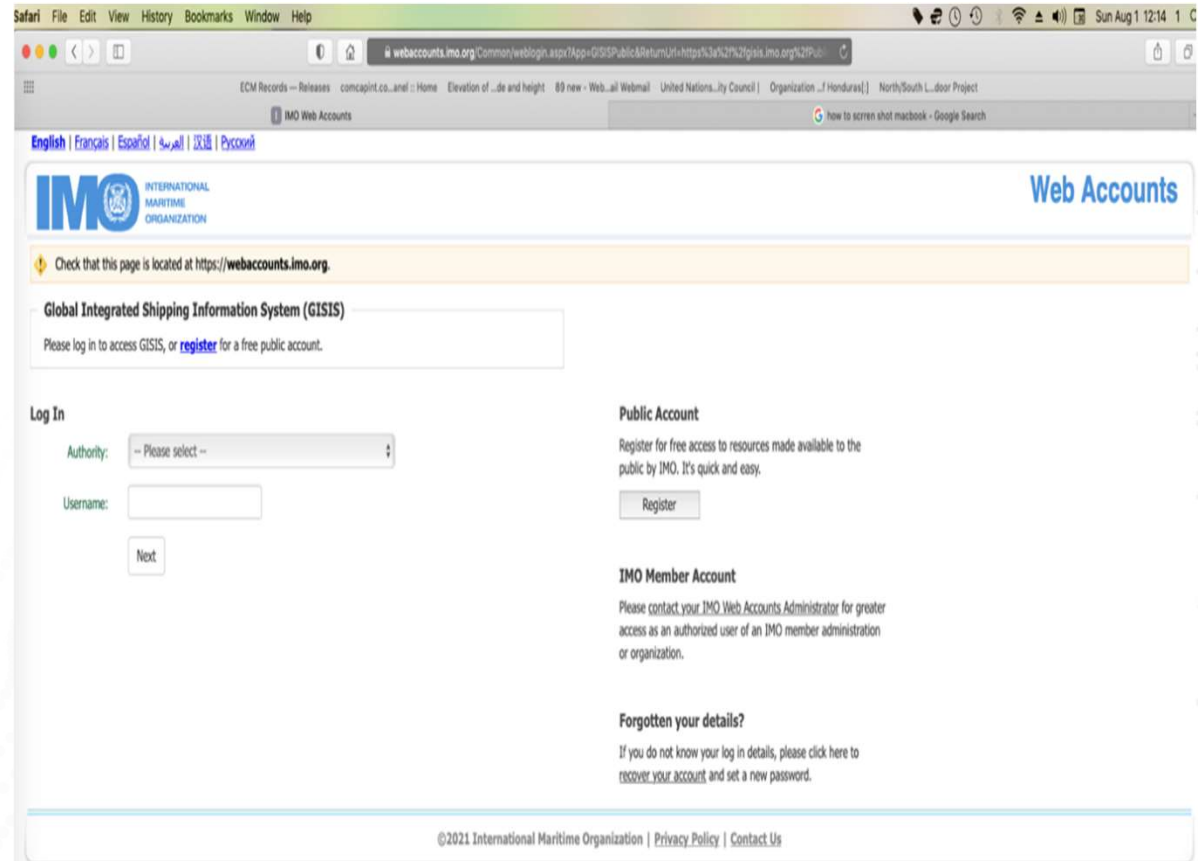
Due Diligence Using Open-Source Databases

- International Maritime Organization (IMO) Global Integrated Shipping Information System (GISIS)
- Equasis
- FleetMon
- MarineTraffic
- VesselFinder
- Tokyo MOU
- Risk Advisory

Maritime Search Resources

IMO

- Global Integrated Shipping Information System (GISIS)
- imo.org



Maritime Search Resources (cont'd)

IMO

- Global Integrated Shipping Information System (GISIS)
- imo.org

gisis.imo.org/Public/SHIPS/ShipDetails.aspx?IMONumber=8853776

IMO INTERNATIONAL MARITIME ORGANIZATION

GISIS: Ship and Company Particulars

Public Area > Ship and Company Particulars > Ship details

Updated: 2021-07-13

Ship Particulars / IMO [REDACTED]

Name:	[REDACTED]
IMO Number:	IMO [REDACTED]
Flag:	[REDACTED]
Call sign:	[REDACTED]
MMSI:	[REDACTED]
Ship UN Sanction:	Not on list
Owning/operating entity under UN Sanction:	Not on list

Maritime Search Resources (cont'd)

EQUASIS

East Africa Ship Register x PurpleTRAC x Vessel details for: MIDWAY (Gene x PSC Database | Inspections & De x Equasis - HomePage x +

Not secure | www.equasis.org/EquasisWeb/authen/HomePage?fs=HomePage

equasis Home My Equasis About Equasis Statistics

Welcome to Equasis, a public site promoting maritime safety and quality

Equasis is a tool aimed at reducing substandard shipping
- Equasis provides safety related information on ships and companies
- Its services are free of any charge
- You only need to register as a user

There are no news at the moment
More news f t

Search

IMO, Name, Company

Ship
Company

Advanced Search →
Go to My Equasis →

USER ACTIVITY :
Connections : 51,601,096 since 2007
Users connected : 3403

890,448 Pageviews
Jun 25th - Jul 25th

LAST DATA UPDATE :

Türk Loydu	13 hour(s) ago	US Coast Guard	14 hour(s) ago
Paris MoU	14 hour(s) ago	Dromon Bureau of Shipping	14 hour(s) ago
Indian Ocean MoU	14 hour(s) ago	American Bureau of Shipping	14 hour(s) ago
US Coast Guard - QualShip 21	14 hour(s) ago	Lloyd's Register	14 hour(s) ago
US Coast Guard - E_ZERO	14 hour(s) ago	EMSA	1 day(s) ago

Type here to search

23:30
24/07/2019

Maritime Search Resources (cont'd)

PSC Memorandums of Understanding

- Indian Ocean MoU
- Paris MoU (EU)
- Riyadh MOU (Persian Gulf)
- Tokyo MOU (Pacific Ocean)

The image displays three screenshots of maritime Memorandums of Understanding (MoU) websites. The top-left screenshot shows the Riyadh MoU website with the URL 'riyadhmou.org' highlighted in a red box. The top-right screenshot shows the Paris MoU website with the URL 'parismou.org' highlighted in a red box. The bottom screenshot shows the Indian Ocean MoU website with the URL 'iomou.org' highlighted in a red box. The Indian Ocean MoU website features a navigation menu with options: 'SITEMAP', 'A-', 'A', 'A+', and 'CONTACT US'. The main header of the Indian Ocean MoU website reads 'INDIAN OCEAN MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL' and includes a search bar with the slogan 'Let's voyage together'. A secondary navigation bar at the bottom of the Indian Ocean MoU website lists: 'Home', 'About IOMOU', 'Inspection Search', 'Ship Risk Indicator', 'Publications', 'e-Library', and 'Media Centre'.

Maritime Search Resources (cont'd)

PSC Memorandums of Understanding

- Indian Ocean MoU
- Paris MoU (EU)
- Riyadh MOU (Persian Gulf)
- Tokyo MOU (Pacific Ocean)



Maritime Search Resources (cont'd)

PSC Memorandums of Understanding

TOKYO MOU

Home | Site map | Contact us

Google Custom Search Search x

Home Organization Inspections & Detentions Publications Members

TOKYO MOU

The Memorandum of Understanding on Port State Control in the Asia-Pacific Region

Welcome to Tokyo MOU

The Tokyo MOU is one of the most active regional port State control (PSC) organizations in the world. The organization consists of 20 member Authorities in the Asia-Pacific region.

The main objective of the Tokyo MOU is to establish an effective port State control regime in the Asia-Pacific region through co-operation of its members and harmonization of their activities, to eliminate sub-standard shipping so as to promote maritime safety, to protect the marine environment and to safeguard working and living conditions on board ships.

What's new

- Joint Press Release on Concentrated Inspection Campaign on Emergency Systems and Procedures (26/07/2019)
- Annual Report 2018 (23/04/2019)
- Preliminary Results of the CIC on MARPOL Annex VI (01/03/2019)
- Joint Press Release on Early Warning on Global 2020 Sulphur Cap Compliance (12/03/2019)
- 25th Anniversary (12/11/2018)
- Joint Press Release on the Concentrated Inspection Campaign on MARPOL Annex VI (01/08/2018)
- Annual Report 2017 (02/05/2018)
- Preliminary Results of CIC on Safety of Navigation (SOLAS CH.V) (12/03/2018)

Hot Items

- National appeal procedures
- Information for PSC Inspection Fees & Charges of Member Authorities
- Questions & Answers
- Contact details
- Secretariat
- Authorities
- Annual Report 2018 **New!**

APCIS

[PSC Database](#)

[Detention List](#)

[Under-performing Ships](#)

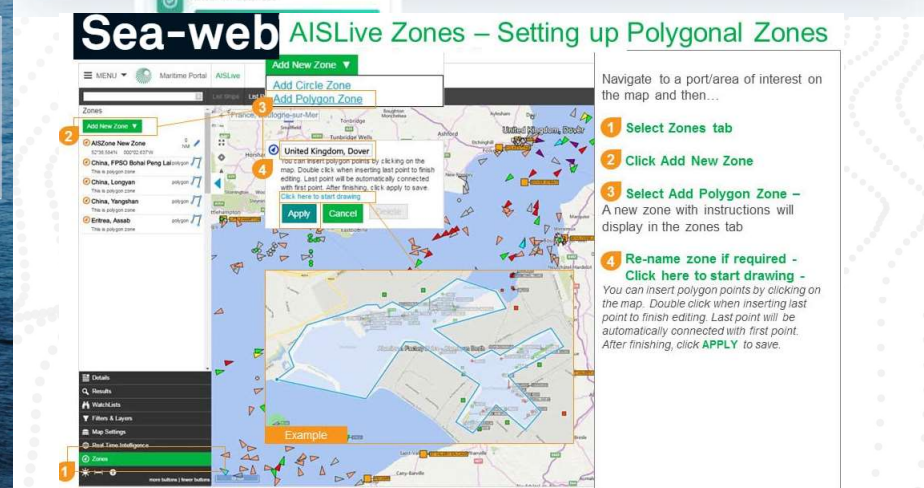
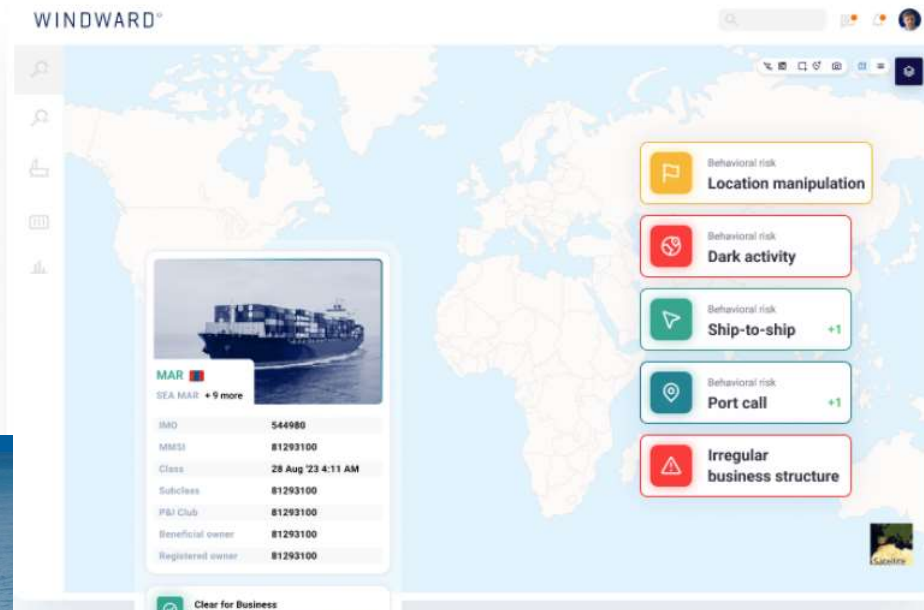
Please enter the solution

7 + 9 = Answer ... Send

Maritime Search Resources (cont'd)

Subscription-Based Services

- PurpleTRAC - Pole Star - www.polestarglobal.com
- Windward - <https://windward.ai/>
- Seaweb – www.spglobal.com



Ocean Logistics & Supply Chain Operations

windward.ai/solutions/supply-chain/

WINDWARD®

Shipment tracking Analytics Port insights

Shipment tracking

3 Completed 36 Early 110 On time 88 Delay

POD Demurrage risk
3 day shipment delay

Sanctions Challenges Introduce...

Container No. / BOL	BOAC / Vessel	Journey	Schedule	Maritime AI [®] Prediction	Status
FCUR96... 00L0110000	OOJU	ORF1	FRANK 24 Jan '23 10:01 AM	03 Jan '23 09:00 AM	Tracking completed
SUDU96... 00L0110000	YTRF	JRUK	AMEL 01 Feb '23 18:00 PM	09 Feb '23 18:00 PM	+18 days
MIDU96... 00L0110000	YTRA	USVC	BRSC 04 Feb '23 12:00 AM	07 Feb '23 12:41 AM	+32 days
MEDU96... 00L0110000	DTBO	COCT	DACPT 04 Feb '23 12:00 AM	10 Feb '23 12:57 AM	+24 days
TCRU96... 00L0110000	DTBA	NLTM	MACAS 05 Feb '23 05:00 AM	05 Feb '23 04:23 AM	+12 days
UETU96... 00L0110000	AZZZ	ITOD	KRPU 23 Feb '23 01:00 PM	30 Feb '23 05:49 AM	+17 days
COSU96... 00L0110000	CARD	PLBN	OMSH 02 Feb '23 07:00 PM	05 Feb '23 05:59 PM	+11 days
ORU96... 00L0110000	SEVX	SEDM	ALJA 04 Jan '23 07:00 PM	31 Jan '23 08:03 PM	Tracking completed

Maritime Search Resources (cont'd)

Sanctions-Related Resources

- EU Commission advisories & consolidated lists
- UN 1718 Committee designation lists
- UN Lists of designated vessels on North Korea
- UN Panel of Experts annual and mid-term reports
- UN Security Council resolutions
- UN Assistance Notices
- Advisories – US Coast Guard List of Prohibited Vessels
- US Dept of Treasury, Office of Foreign Assets Control (OFAC)

**Global Advisory on Russian Sanctions Evasion
Issued Jointly by the Multilateral REPO Task Force
March 9, 2023**

Overview

Shortly following Russia's invasion of Ukraine in February 2022, Australia, Canada, France, Germany, Italy, Japan, the United Kingdom, the United States, and the European Commission launched the Russian Elites, Proxies, and Oligarchs (REPO) Task Force, a multilateral effort that has used information sharing and coordination to isolate and exert unprecedented pressure on sanctioned Russian individuals and entities. The REPO Task Force, consisting of Finance Ministry and Justice or Home Ministry participation in each member jurisdiction, has successfully used their respective authorities to track Russian sanctioned assets and heavily restrict sanctioned individuals and entities from accessing the international financial system. The REPO Task Force's work has leveraged cooperation from like-minded countries outside of the task force and worked in close coordination with the European Commission's Freeze and Seize Task Force. These efforts have denied regime insiders access to revenue streams and economic resources used to support Russia's war of aggression in Ukraine.

The REPO Task Force's collective efforts have resulted in the freezing of tens of billions of dollars and the freezing or seizure of high-value goods or property. However, some sanctioned Russian elites and their financial networks have managed to evade sanctions and, in some instances, maintain access to funds. Additionally, in some instances, sanctioned individuals and entities may be able to generate additional revenue or procure export-controlled and sanctioned items. This illicit financial activity runs in direct contravention of the multilateral sanctions that impose costs on Russia for its unprovoked war and deny the access of sanctioned Russian individuals and entities to the international financial system.

To underscore the REPO Task Force's commitment to work collaboratively with the private sector, and to deny key Russian elites and proxies' access to revenue and sensitive goods and technologies, the REPO Task Force has identified certain typologies of Russian sanctions evasion tactics and is issuing recommendations to mitigate the risk of exposure to continued evasion. This advisory will contribute to effective sanctions implementation across REPO Task Force members' jurisdictions by preventing the undermining of financial sanctions, export controls, and other restrictive measures designed and implemented in response to Russia's unprovoked war of aggression in Ukraine. Typologies identified in this advisory include: the use of family members and close associates to ensure continued access and control; the use of real estate to hold value, benefit from wealth; the use of complex ownership structures to avoid identification; the use of enablers to avoid involvement, leverage expertise; and the use of third-party jurisdictions, false trade information to facilitate sensitive goods shipment to Russia.

To complement this effort, private sector partners should closely review advisories and publications issued by REPO Task Force members relevant to the jurisdictions and industries in which they operate. The REPO Task Force remains committed to continued collaboration and coordination to restrict sanctioned individuals and entities from using the international financial system to fund Russia's brutal war of aggression and to ensuring effective and robust enforcement of sanctions, including by criminal prosecution.

Sanctions-Related Resources

- **UN 1718 Committee designation lists**
- **UN Cosolidated Lists of designated vessels**
- **UN Panel of Experts annual and mid-term reports**
- **UN Security Council resolutions**
- **United States Coast Guard List of Prohibited Vessels**
- **United States Department of Treasury, Office of Foreign Assets Control (OFAC) - SDN**

If in doubt, just google – there are many media articles containing telling details!



Sanctions Risk Mitigation Questions?

❖ **Thank You!**

Capt (Ret.) Neil Watts