

C4ADS says identity theft is enabling vessels to duck UN sanctions

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Researchers at the security think tank C4ADS said in a report published on September 9th that it had identified nearly a dozen vessels which had used identity theft to evade UN sanctions.

At IUMI last week there were reports that crude carriers were using fake AIS transmissions to sidestep detection, but this latest tactic by alleged sanction busters is new.

Tampering with AIS presets had often been seen among the tankers that violated UN sanctions to deliver fuel to North Korea. Now however the putative sanctions busters are setting up fake vessel registrations with the IMO for ships that do not exist. They then use the new fake ID to rebrand blacklisted vessels, thus laundering a vessel that insurers know is sanctioned into one that appears “clean”.

Indeed the “dirty” vessel receives a brand-new IMO number, MMSI, history, deadweight tonnage, length and beam. Those new details can be entered into its AIS transponder and used during port state control inspections.

C4ADS also reported a more complex variation on this scheme, under which a second “clean” vessel takes on the new fake identity, freeing up its own identity for use by a “dirty” ship – thus putting the laundering at one further remove.

C4ADS team’s analysis – backed with technology provided by Palantir, Windward, Amazon, Planet Labs, Airbus and Maxar – has identified at least 11 ships which have used this tactic in recent years.

The report gave two examples:

- the blacklisted **Kingsway**, which became the **Apex / Shun Fa** (IMO 8528864);
- the suspected smuggling vessel **Subblic**, which became the Hai Zhou 168 (IMO 8514045).

The “laundering” goes beyond simply changing the “number plate” and “chassis number”. The ship is physically altered so that it is not recognizable as the previously sanctioned vessel. Then, via the use of fraudulent documents, the vessel operator tricks registration personnel at IMO into issuing a new vessel identity for a newbuild or an existing vessel that is new to international trade. That new identity is painted on the hull and entered into the AIS transmitter and receiver. Suddenly a blacklisted ship can return to normal commercial operations.

C4ADS said that this tactic was very hard for maritime officials to detect and defeat. The report said that ships involved in vessel identity laundering schemes rarely exhibited the usual tell-tale signs of AIS tampering, or the sloppy paint jobs that cover old ship names (for example, as is often the case when ships are renamed and reflagged only a short period prior to breaking).

“As a result, law enforcement and civil regulators have a significantly greater challenge in identifying vessels involved in an identity laundering operation”, C4ADS said.

In July 2018 the Kingsway had its decks repainted so that it could become the Apex. It managed to avoid detection until May 2021.

In 2019 the blacklisted products tanker **Subblic** became “newbuild” **Hai Zhou 168** (IMO 8514045) via a sequence of fake identities involving a clean “middle” vessel.

The operator created a false identity for a second, real vessel, then transferred the second vessel’s original identity to the Subblic. The blacklisted Subblic has since delivered petroleum to North Korea as Hai Zhou 168 at least 17 times, according to C4ADS. Additionally, this “clean” identity has been occasionally handed off to other North Korean tankers to use for their own AIS transmissions.

C4ADS accepted the difficulty in detecting this manoeuvre, particularly if it is executed professionally and with care. However, it recommended several changes to make the process harder to achieve. First, it recommended that IMO should require regular photos of the ship and updates on its status from the operator, in the same manner that everyday citizens must regularly reapply for a passport or a drivers’ license.

Second, C4ADS advised that IMO should require owners to submit the ship’s dimensions, hull number and engine number during registration, as, in practice, these data fields are often left blank.

It also recommended collecting photos of the vessel from all four sides. “If implemented, these improvements to the IMO’s registration system would meaningfully challenge the ability of illicit actors to commit IMO number fraud and create shell identities on demand,” the report stated.

When asked about the report, a spokesperson for the IMO, the United Nations' shipping agency, said any specific unlawful practices should be brought to the organization so they could be addressed.

"IMO has been working to address issues related to fraudulent registration and related unlawful practices including the registration of vessels without the knowledge or approval of the relevant national maritime administration," the spokesperson added. "This work is ongoing."

"The international shipping order has operated on the basis that an IMO number is an authoritative and unique identifier issued to one ship – a real ship, if that has ever needed to be spelled out," C4ADS said.

According to Equasis, 1998-built, Mongolia-flagged (Marine Traffic), 5,830 gt Apex is owned and managed by Better Smart Ltd of Belize City, Belize. Better Smart is listed as having been struck off during 2021.

As of September 11th the vessel was reported as at Busan anchorage, South Korea, having arrived on August 25th from Kaohsiung, Taiwan.

<https://c4ads.org/reports>

<https://www.ibcbelize.com/wp-content/uploads/2021/03/Struckoff2021.pdf>
1986-built, Sierra Leone-flagged, 2,681 gt Hai Zhou 168 is owned and managed by Haizhou Trade International Co of Hong Kong, China. No AIS details since July 10th. Haizhou Trade International Co was incorporated in June 2020.