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To all Members

MARLO Advisory Bulletin 26-03,
Measures to Prevent Iraqi Oil Smuggling.

For your information please.

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With the compliments of

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The following information was provided to MARLO by Coalition forces. We are passing it in order to keep you informed of ongoing activity that may affect your shipping operations and planning. We request you pass this information widely throughout your own commercial circles.

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The Iraqi government has taken decisive actions to end oil smuggling, including establishment of severe punitive measures.

Coalition maritime forces, in support of ongoing efforts to safeguard Iraq's critical resources and deter criminal activity, are currently boarding an average of 90 ships per week, from which as many as 5 per week have been detained for transporting illegally obtained Iraqi oil. Under UN sanctions, ships carrying illegal cargo were diverted to regional states for disposition, but coalition forces are now detaining ships and referring cases to the Iraqi justice system. Iraqi law and recent executive orders by the Coalition Provisional Authority allow for ship confiscation and criminal prosecution of senior crewmembers of ships caught smuggling oil, copper, and other vital resources from Iraq.

The Iraqi Port System, law enforcement agencies, and coalition ground forces in Iraq are actively watching for illegal shipping operations and work closely with coalition maritime forces.

Recent action against the oil tanker NAVSTAR 1, which attempted to smuggle 3500 tons of diesel fuel from the port of Umm Qasr, demonstrates the seriousness of the Iraqi government. The NAVSTAR 1 Captain and First Mate were sentenced to serve seven years in Iraqi prison and ordered to pay fines of 2.4 million dollars. NAVSTAR 1 is owned by the Navstar Shipping Company of Dubai.

During the trial, the Court heard evidence that the Captain and First Mate had arranged for more than 20 smaller vessels to transfer illegally obtained diesel fuel onto the NAVSTAR 1.

NAVSTAR 1 and its smuggled diesel fuel were confiscated by Iraq's Ministry of Finance, which will dispose of the vessel and cargo either through sale or use by the Iraqi government. Five additional ships have been confiscated by order of the Iraqi court, and cases are pending for another seven ships recently detained by coalition forces.

"No one is above the law in the new Iraq - be they rich, prominent, influential or foreign," said Hashim Al-Shibli, Iraq's Minister of Justice. "They will face the same justice as everyone else in this nation of laws."