

# US targets ships en route to Venezuela

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Nicolas Maduro at a rally in 2015 (Credit: Wikicommons.com/Hugoshi)

Federal prosecutors in Washington, DC are attempting to seize the petroleum in four tankers travelling from Iran to Venezuela as the US tries to curtail a burgeoning fuel trade market between the two heavily sanctioned countries.

## Prosecutors filed a civil forfeiture application

([../digital\\_assets/af850b37-8a13-4ac7-8460-48083cf6ac23/D.D.C.-20-cv-01791-dckt-000001\\_000-filed-2020-07-01-\(1\).pdf](#)) in the US District Court for the District of Columbia on 1 July targeting “all the petroleum” on board the ships that they say is destined for Venezuela on a voyage arranged by an individual linked to Iran’s Islamic Revolutionary Guard Corps (IRGC).

The proceeds from the sale of over 850,000 barrels will “support the IRGC’s full range of nefarious activities, including the proliferation of weapons of mass destruction and their means of delivery, support for terrorism, and a variety of human rights abuses, at home and abroad,” the complaint reads.

The move comes amid an almost two-month-long dispute between the US and Iran over the supply of petroleum to Venezuela, as the South American country reportedly (<https://observers.france24.com/en/20200609-venezuela-queue-days-historic-petrol-shortage>) suffers from a particularly acute fuel shortage due largely to the recent collapse of the local oil sector and increasingly restrictive sanctions imposed by the US government.

Prosecutors in the US capital say the convoy was arranged by Iranian national Mahmoud Madanipour who is allegedly linked to the IRGC, which the Treasury Department sanctioned in 2017 (<https://www.treasury.gov/press-center/press-releases/Pages/sm0177.aspx>) for supporting terrorist groups, including the Taliban.

They have also connected the convoy to the Iranian military force through the Kuwait-based Mobin International, which contracted the ships for the journey and has previously been linked to bank accounts the IRGC uses, and Singapore-based shipping agent company Seawave, which a confidential source has tied to the sanctioned entity.

The ships, which all agreed to transport fuel to Venezuela in April and May, have engaged in ship-to-ship transfers – a legitimate maritime practice that the US government has repeatedly

[https://www.treasury.gov/resource-center/sanctions/Programs/Documents/05142020\\_global\\_advisory\\_v1.pdf](https://www.treasury.gov/resource-center/sanctions/Programs/Documents/05142020_global_advisory_v1.pdf)) warned has been used by sanctioned countries to illegally source goods – to obtain the fuel, the complaint reads.

Madanipour, whom prosecutors say offered to execute similar deals in China and Malaysia, also falsely claimed on shipping documents for one vessel, The Bella, that the goods had originated in the UAE, according to court documents.

The application provides no clues as to how authorities plan to confiscate the fuel. However, the US civil forfeiture statute for terrorism offences grants prosecutors broad authority to attempt to seize property domestically or abroad. And the Washington, DC, federal court [interpreted this in a 2019 decision](https://www.courtlistener.com/doc/2019/11/07/usdc-dc-16-cv-02442-dckt-000018_000-filed-2019-11-07/) ([.././digital\\_assets/35ba2906-7255-4c3a-9e1a-1f66fc24bc77/D.D.C.-16-cv-02442-dckt-000018\\_000-filed-2019-11-07.pdf](https://www.courtlistener.com/doc/2019/11/07/usdc-dc-16-cv-02442-dckt-000018_000-filed-2019-11-07/)) as including items that “may have never touched the US”.

Evelyn Baltodano-Sheehan, former deputy chief of the asset forfeiture division at the Miami federal prosecutor’s office, said that this case is further evidence of how the Justice Department (DOJ) is increasingly trying to [sequester assets outside](https://globalinvestigationsreview.com/article/just-sanctions/1227425/us-prosecutors-send-a-message-with-blockbuster-north-korea-charges) (<https://globalinvestigationsreview.com/article/just-sanctions/1227425/us-prosecutors-send-a-message-with-blockbuster-north-korea-charges>) of the US border in national security cases.

“In relation to US sanctions on Iran, Venezuela, and North Korea, where the primary goal of US policy is to deny the regimes access to foreign currency, civil forfeiture complaints like this one are

the tip of the spear,” according to Baltodano-Sheehan, now at Kobre & Kim in Miami.

“They allow prosecutors to seize property anywhere in the world, including cash, electronic deposits, and oil, with a much lower burden of proof than criminal charges and no need to navigate complex extradition procedures,” she added.

Prosecutors have also previously used indictments and civil forfeiture complaints as a means of publicising details of sanctions-busting schemes (<https://globalinvestigationsreview.com/article/just-sanctions/1227425/us-prosecutors-send-a-message-with-blockbuster-north-korea-charges>) and other illicit activity by foreign government actors.

The Trump administration responded to Iran’s first shipment of 1.5 million barrels of gasoline to the country in May by placing the five vessels’ captains on a list of sanctioned individuals. The Treasury Department said in its 24 June announcement (<https://home.treasury.gov/news/press-releases/sm1043>) of the measures that Iran “plans to continue gasoline sales to the brutal and corrupt [President Nicholas] Maduro regime in the months to come”.

Iranian President Hassan Rouhani has previously threatened retaliatory action if the US Navy attempts to intercept the fuel convoys. “If our tankers in the Caribbean or anywhere in the world face trouble caused by the Americans, they [the US] will also be in trouble,” Rouhani reportedly (<https://fr.reuters.com/article/credit-rss/idUSL8N2D508N>) said in May.

US authorities have intercepted a text message from Madanipour that hinted at US pressure potentially frustrating the operation. “The ship owner doesn’t want to go because of the American threat, but we want him to go, and we even agreed We [sic] will also buy the ship,” he wrote to an unidentified co-conspirator at an unknown date.

The investigation was conducted by the FBI and the Department of Homeland Security, according to the complaint.

### **For the US Attorney’s Office for the District of Columbia**

Assistant US attorneys Zia Faruqui, Brian Hudak and Stuart Allen

Just Sanctions