



Royal United Services Institute
for Defence and Security Studies

PROJECT SANDSTONE

The Sailors of Panama

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Executive Summary

A NUMBER OF Dalian-based Chinese nationals have been linked to some of North Korea's most notable recent incidents of weapons proliferation and sanctions evasion. One of these individuals, Li Anshan, was covered in Project SANDSTONE's first report into the *Jie Shun*.¹ This investigation detailed Li's extensive links to North Korea's illicit shipping networks and connected him to a company that was, until 2017, partly owned by the Chinese state.

This second investigation looks at Fan Mintian, Dong Changqing and Zhanq Qiao – three Chinese nationals who have appeared in the UN Panel of Experts investigations into North Korea's sanctions evasion activities and several other reports linking them to flag registries,² and oil,³ coal and iron ore⁴ smuggling networks. Both Fan and Zhang were also described as key players in the *Jie Shun* incident by the Panel of Experts.⁵

Project SANDSTONE's second investigation shows that:

- Fan Mintian and his former colleague in Sea Star Ship (海之星船務有限公司) and V-Star Ships (海之星船業有限公司), Dong Changqing (董長青), have both worked as authorised officials for Panama Maritime Documentation Services, an organisation empowered by the Panamanian Maritime Authority to conduct surveys and certification of Panamanian-flagged vessels.⁶
- Additionally, this report has uncovered further links between Fan Mintian and Zhang Qiao (张桥), another Dalian-based individual involved in the *Jie Shun* incident and North Korea's illicit networks. These include links to a second classification society named the International Marine Survey Association, which has provided certification services to one of Zhang's own vessels⁷ and is empowered by Mongolia's Maritime Administration to flag ships under the Mongolian flag.⁸
- A contract between Mongolia's Maritime Administration and the International Marine Survey Association was signed by Zhang only eight days after US Treasury designations targeting a Singaporean national named Leonard Lai, his company, Senat Shipping, and one of his vessels named the *Dawnlight*. At the

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1. James Byrne and Tom Plant, 'The *Jie Shun* Incident: Chinese State-Owned Enterprise Connections to the North Korean Arms Trade', RUSI Project Sandstone Series, 6 February 2019.
 2. See Leo Byrne, 'Red Flags: The African Registry Employing North Korea's Arms Smugglers', NK News, 15 March 2017.
 3. Leo Byrne and James Byrne, 'Seized Oil Tanker Linked to N. Korean Networks, Investigation Reveals', NK News, 3 January 2018.
 4. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2017/150, 27 February 2017, p. 144.
 5. *Ibid.*, p. 31.
 6. Panama Maritime Authority, 'Merchant Marine Circular MMC-136', <<https://www.segumar.com/wp-content/uploads/2017/03/MMC-136-Marzo-16-2017.pdf>>, accessed 15 January 2019.
 7. Tokyo MOU, 'PSC Database: TIAN TONG IMO:8712348', <http://www.tokyo-mou.org/inspections_detentions/psc_database.php>, accessed 19 February 2019.
 8. International Maritime Organization, Global Integrated Shipping Information System, <<https://gis.imo.org/Public/RO/ViewAuthorisation.aspx?Country=MNG&Org=1009>>, accessed 10 May 2019.

time, Lai was also listed as a director for Mongolia's shipping registry in Singapore, while a company controlled by Zhang quickly took ownership of Lai's sanctioned vessel the *Dawnlight*.

- Network analysis undertaken by Project SANDSTONE shows both Panama Maritime Documentation Services and the International Marine Survey Association connect to several other companies and entities involved in the *Jie Shun* incident.
- This discovery indicates that Chinese nationals with close links to North Korea's illicit shipping networks have acted as surveyors for vessels registered under the Panamanian flag – and possibly the Mongolian flag – thereby potentially providing an avenue for North Korean-linked vessels to obtain flags of convenience and other maritime services prohibited under UN Security Council resolutions.
- This evidence also reinforces the conclusion that several individuals with extensive links to North Korea's illicit shipping networks have operated across a wide number of roles in the maritime industry, from directly owning and managing vessels, to the provision of international safety management services, as well as flagging and certification services required to operate a foreign-flagged vessel in international waters.⁹

This investigation is the second in a series that focuses on understanding the corporate ownership structures that support North Korea's illicit networks, and on increasing the breadth and depth of publicly available information on these structures. It is a product of RUSI's Project SANDSTONE, which uses open-source intelligence techniques to uncover and report actionable information on proscribed North Korean activities. We gratefully acknowledge the support of Global Affairs Canada in funding the research that has led to this report.

9. See also Andrea Berger, 'North Korea's Friends in Singapore Running Flags of Convenience', *38 North*, 22 June 2015.

Fan's, Dong's and Zhang's Links to Sanctions Evasion Networks

FAN AND Dong's company, Sea Star Ship, first appeared in the UN Panel of Experts report in 2013 in relation to the *Light* incident.¹⁰ Two years earlier, in 2011, the Belizean-flagged *Light* vessel was suspected of transporting North Korean missile technology to Myanmar and was intercepted by a US Navy destroyer.¹¹ Rather than submit itself to inspection, the North Korean crew of the *Light* turned the vessel around and returned home. At the time, the vessel was managed by Dalian Sea Glory Shipping, a company addressed to the same room in Dalian as that used by both Fan and Dong in Hong Kong corporate records for their company, Sea Star Ship.¹²

Following the incident, the *Light* was transferred to Sea Star Ship,¹³ a company that went on to own, manage and provide International Safety Management (ISM) services to several North Korea-linked vessels, including the *South Hill 2*.¹⁴ This latter vessel was itself mentioned in the trial of a Singaporean company named Chinpo Shipping,¹⁵ which had worked closely with North Korea's Ocean Maritime Management and made remittances on its behalf for the *Chong Chon Gang*, a North Korean-flagged ship that was interdicted in 2013 while attempting to transit the Panama Canal while it was loaded with weapons and military supplies from Cuba.¹⁶

According to the trial proceedings 'Chinpo was instructed to falsely declare that the freight received for the *MV Chong Chon Gang* was from the *MV South Hill 2*' which constituted 'an attempt to conceal the source of monies for the transfer in question, and also conceal the activities of the *MV Chong Chon Gang* prior to it carrying the arms and related materiel'.¹⁷ The *South Hill 2* was subsequently designated by the UN Security Council as an asset of Ocean Maritime Management.¹⁸

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10. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2013/337, 12 June 2013, p. 44.
 11. David E Sanger, 'U.S. Said to Turn Back North Korea Missile Shipment', *New York Times*, 12 June 2011.
 12. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2013/337, 11 June 2013, p. 44.
 13. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 19 December 2019.
 14. In addition to providing International Safety Management (ISM) services to the *South Hill 2*, Sea Star Ship was also the commercial manager of the *Ko San Jin 1* (IMO: 8657536) in September 2016 before it was sold or passed to Korea Pukxae Shipping. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 15 December 2019.
 15. State Courts of the Republic of Singapore, 'Public Prosecutor V Chinpo Shipping Company (Private) Limited, Prosecution's Submissions at the Close of Trial', 14 December 2015, p. 29.
 16. Rick Gladstone and David E Sanger, 'Panama Seizes Korean Ship, and Sugar-Coated Arms Parts', *New York Times*, 16 July 2013.
 17. State Courts of the Republic of Singapore, 'Public Prosecutor V Chinpo Shipping Company (Private) Limited, Prosecution's Submissions at the Close of Trial', 14 December 2015, p. 29.
 18. UN Security Council, 'Security Council Imposes Fresh Sanctions on Democratic People's Republic of Korea, Unanimously Adopting Resolution 2270 (2016)', press release, SC/12267, 2 March 2016, <<https://www.un.org/>

However, Fan and Dong's links to Ocean Maritime Management and North Korea's illicit networks do not end here. Another of Fan and Dong's companies, V-Star Ships – which shares a nearly identical Chinese name to Sea Star Ship – was also mentioned during the Chinpo Shipping trial. According to the proceedings, Chinpo had asked Ocean Maritime Management 'not to send any instructions for outward and inward remittances to and from V-Star Ships Limited and Cuba so as to avoid being blacklisted'.¹⁹ These instructions imply that Fan and Dong's V-Star Ships was either a corporate entity with which Chinpo and Ocean Maritime Management had a close business relationship, or that V-Star Ships was in fact a front company used by Ocean Maritime Management to make payments and remittances on its behalf.

In addition to these incidents, Fan has since been linked to the *Jie Shun*, a Cambodian-flagged ship arrested in Egypt in 2016 while loaded with North Korean munitions.²⁰ Fan's Correspondence with the Panel following the *Jie Shun* incident has shown that Fan admitted to having acted as a 'consultant' to the *Jie Shun* and that he held the ship's documents of compliance when the vessel was impounded.²¹

Meanwhile, Fan's former colleagues in Sea Star Ships and V-Star Ships, Dong Changqing and Lu Tiehe (吕铁和), have since been linked to the *Koti* incident.²² The Panamanian-flagged *Koti* was held by South Korean authorities in December 2017 on suspicion of smuggling oil products to North Korean tankers.²³ Images later released by the US Department of the Treasury showed the *Koti* conducting a ship-to-ship transfer with the North Korean-flagged *Kum un San 3* in December 2017.²⁴

press/en/2016/sc12267.doc.htm>, accessed 18 February 2019.

19. State Courts of the Republic of Singapore, 'Public Prosecutor V Chinpo Shipping Company (Private) Limited, Prosecution's Submissions at the Close of Trial', 14 December 2015, p. 43.
20. Joby Warrick, 'A North Korean Ship was Seized off Egypt with a Huge Cache of Weapons Destined for a Surprising Buyer', *Washington Post*, 1 October 2017.
21. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2017/150, 27 February 2017, p. 30.
22. Leo Byrne and James Byrne, 'Seized Oil Tanker Linked to N. Korean Networks, Investigation Reveals', *NK News*, 3 January 2018.
23. Yuna Park and Hyunjoo Jin, 'South Korea Seizes Second Ship Suspected of Providing Oil to North Korea', *Reuters*, 31 December 2017.
24. US Department of the Treasury, 'Treasury Announces Largest North Korean Sanctions Package Targeting 56 Shipping and Trading Companies and Vessels to Further Isolate Rogue Regime', 23 February 2018, <<https://home.treasury.gov/news/press-releases/sm0297>>, accessed 18 February 2019.

Figure 1: The Panamanian-Flagged *Koti* Conducting a Ship-to-Ship Transfer with the North Korean-Flagged *Kum un San 3*



Source: US Department of the Treasury, 'Treasury Announces North Korean Sanctions Package Targeting 56 Shipping and Trading Companies and Vessels to Further Isolate Rogue Regime', press release, 23 February 2018.

According to an investigation by NK News, Dong and Lu were listed as contact points for the Hong Kong and Dalian registered Harmonized Resources Shipping Management (和源兴海船舶管理(大连)有限公司), the commercial manager of the *Koti* oil tanker when it was impounded in South Korea.²⁵

While the Panamanian-registered owner of the *Koti* later claimed Harmonized Resources Shipping Management had been erroneously listed as the ship's manager,²⁶ the Panel's investigation discovered 'that Harmonized Resources had, in fact, registered the IMO company numbers for both the owner and the International Safety Management manager of the *Koti*. The company's point of contact, Lu Tiehe (吕铁和), was previously involved in the *Light* incident'.²⁷

25. *Ibid.*

26. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2018/171, 5 March 2018, pp. 33–34.

27. *Ibid.*

The Panel's investigations into the *Jie Shun* showed that another individual named Zhang Qiao had arranged the ship's protection and indemnity insurance and registered the vessel's operator, K Brothers, in the Marshall Islands using his Hong Kong-registered company Bene Star Shipping and Trading.²⁸ The Panel also uncovered Zhang's links to North Korean coal trading and identified his company Bene Star Shipping and Trading as a 'key node connecting multiple companies linked to the Democratic People's Republic of Korea'.²⁹

Fan, Dong and Panama Maritime Documentation Services

Despite Fan's and Dong's previous documented activities, both individuals have in recent years acted as vessel surveyors for Panama Maritime Documentation Services, a company authorised by Panama's Maritime Authority to 'carry out surveys and issue specific technical certificates according to the national and international regulations adopted by Panama'.³⁰

Figure 2: Dong Changqing and Fan Mintian Providing Surveyor Services for Panama Maritime Documentation Services



Source: Ship compliance documents obtained by the author. For further information, please contact the author.

Known in the shipping industry as Recognized Organizations, flag administrations may empower third-party entities to conduct surveys and certification activities on their behalf. Maritime circulars issued by Panama's

28. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2017/150, 27 February 2017, p. 31.

29. *Ibid.*

30. Panama Maritime Authority, 'Merchant Marine Circular MMC-136', 1 August 2016, <<https://www.segumar.com/wp-content/uploads/2017/03/MMC-136-Marzo-16-2017.pdf>>, accessed 19 February 2019.

Maritime Authority show that Panama Maritime Documentation Services acts as such a Recognized Organization.³¹

Listed as part of the Panama Maritime Group on its website, the company describes itself as operating ‘a global network of over 200 surveyors strategically located in major ports and coastal cities around the world in order to facilitate the coordination and conduct of surveys and the issuance of interim certificates’.³²

However, Chinese-language adverts for the Panama Maritime Group³³ and Panama Maritime Documentation Services³⁴ show the company uses an address, phone number and email also used by Fan,³⁵ Dalian Sea Glory Shipping,³⁶ and a company in which Fan was previously a shareholder named Dalian Sea Star Ship Technology.³⁷

As noted above, Dalian Sea Glory Shipping was the manager of the *Light* when it was stopped by the US Navy en route to Myanmar. Meanwhile, Chinese corporate records also show that Dalian Sea Star Ship Technology’s business address is the same as that used by Fan, Dong and Lu on Hong Kong corporate documents for both Sea Star Ships and V Star Ships.

31. *Ibid.*

32. Panama Maritime Group, ‘Panama Maritime Documentation Services Inc. (PMDS)’, <<http://www.panamamaritime.com/services/>>, accessed 20 February 2019.

33. Xinde Marine News, ‘Panama Maritime Group’, 28 December 2018, <<http://www.xindemarinenews.com/m/view.php?aid=9356>>, accessed 15 January 2019.

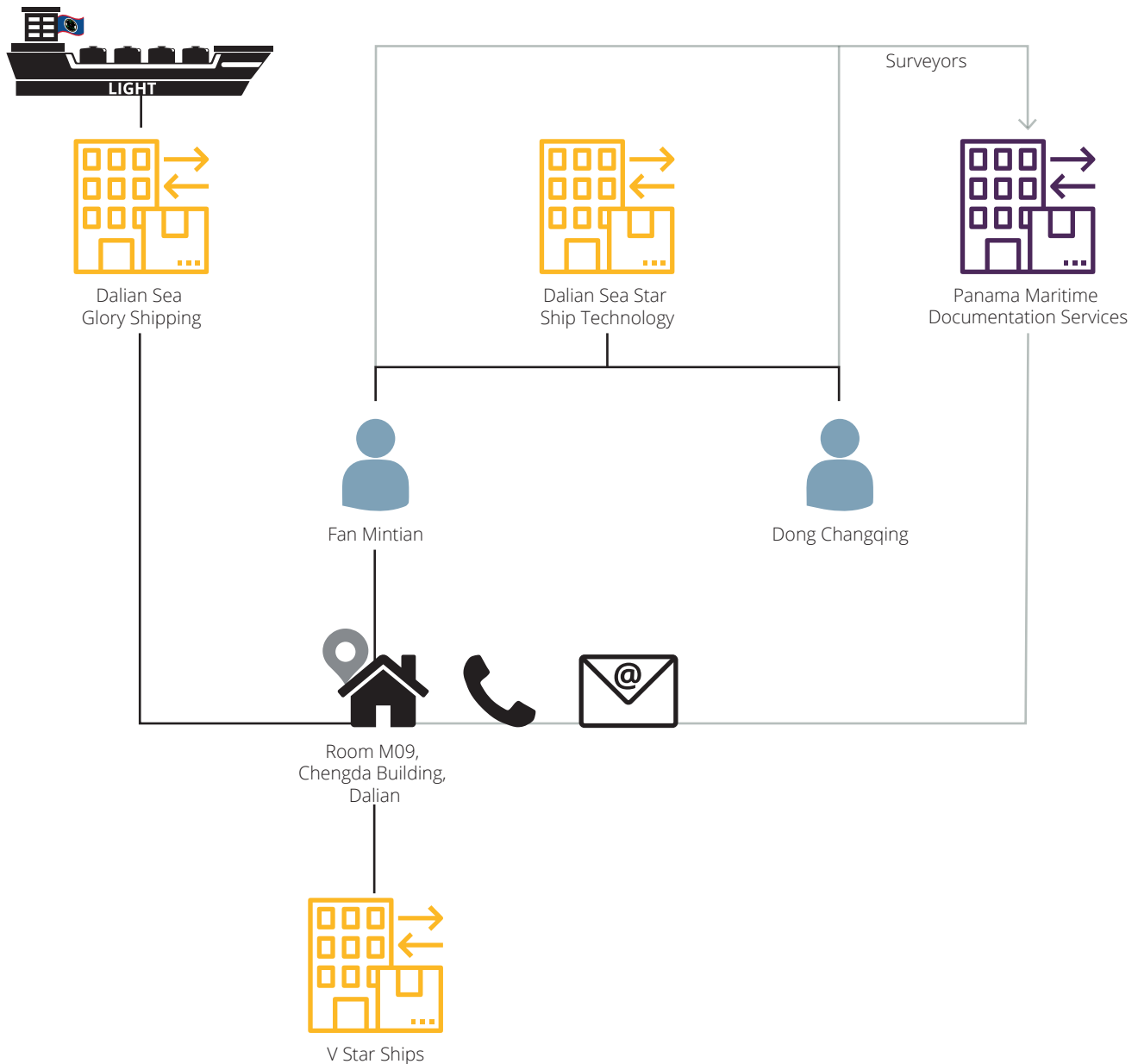
34. IBYEC, Dalian Sea Star, <<http://www.ibyec.com/ListingIntro/%E5%A4%A7%E8%BF%9E%E6%B5%B7%E4%B9%8B%E6%98%9F.html>>, accessed 3 January 2019.

35. The advert for Panama Maritime Documentation Services titled Dalian Sea Star uses the Dalian Sea Glory Contact number (86-411-82597896) and its email sea_glory@163.com. Fan Mintian also used this email to correspond to the Panel in 2017 regarding the *Jie Shun* incident. See UN Security Council, ‘Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)’, S/2017/150, 27 February 2017, p. 31.

36. Tokyo MOU, ‘PSC Database: Dalian Sea Glory Shipping’, <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 19 February 2019.

37. 水滴信用企业 [Shuidi Corporate Database], ‘大连海之星船舶技术有限公司’ [‘Dalian Sea Star Ship Technology’], <<http://shuidi.cn/company-ef49e541f236fb7e37e1b371d669c89b.html>>, accessed 19 February 2019.

Figure 3: Close Connections Between Fan, Dong, Panama Maritime Documentation Services and Dalian Sea Glory Shipping



Source: Project Sandstone.

Additionally, an index of inspectors published by the Panama Directorate Merchant Marine Department in March 2016 shows that an individual named Wanku Qu is listed under the same Dalian-based contact number as that used by Fan's Dalian Sea Star Ship Technology and email as that used by Sea Star Ship.³⁸

38. Panama Directorate Merchant Marine Department, 'List of Inspectors', <<https://www.segumar.com/wp-content/uploads/2016/04/listadoinspectoresaprobados31-03-2016.pdf>>, accessed 20 February 2019.

Panama Maritime Documentation Services Has Provided Services to Several North Korea-Linked Vessels

Vessel inspection databases show that Panama Maritime Documentation Services has provided certification services to several North Korea-linked vessels in recent years.

The *Hua Fu* (IMO: 9020003)

The general cargo ship *Hua Fu* entered the ownership of the North Korean-registered Jangan (장안회사) company on 22 March 2017.³⁹ Two months later on 11 May 2017, Panama Maritime Documentation Services issued several certificates to the *Hua Fu*, including its Cargo Ship Safety Construction document, its International Oil Pollution Prevention document, its Document of Compliance and its Safety Management Certificate document.⁴⁰ During the same month, the ship moved from a North Korean to a Panamanian flag.⁴¹

On 19 May 2017, the *Hua Fu* was transferred to Hong Kong-registered but similarly named Chang An Shipping and Technology (長安海運技術有限公司),⁴² a North Korea-linked company designated by the UN Security Council on 30 March 2018.⁴³

Previous to the *Hua Fu*'s entry into the North Korean and Panamanian registers, the ship had moved to a Tanzanian flag in September 2016.⁴⁴ A month later in October 2016, a report in NK Pro identified a large campaign of reflagging 50 North Korea-linked vessels to Tanzanian flags.⁴⁵ Following this report, dozens of these ships were delisted by Tanzania, while the *Hua Fu* moved to a Fijian flag. A circular published by the Zanzibar Maritime Authority in 2017 shows that the *Hua Fu* was among a list of Tanzanian-flagged ships that was deregistered in 2016 for its links to North Korea.⁴⁶ Meanwhile, a maritime circular issued by the Fijian government in October 2017 showed that this flag was itself fraudulent.⁴⁷

Four months after Panama Maritime Documentation Services had issued the *Hua Fu* with several items of documentation, the ship was used to smuggle coal from North Korea's port of Nampo to Vietnam in violation of UN

39. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 14 December 2019.

40. See the record for the *Hua Fu* (IMO No.: 9020003) at Tokyo MOU, <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 27 December 2018.

41. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 14 December 2019.

42. *Ibid.*

43. UN Security Council, 'Security Council 1718 Sanctions Committee Adds 22 Entries to Its Sanctions List, Designates 27 Vessels', press release, SC/13272, 30 March 2018, <<https://www.un.org/press/en/2018/sc13272.doc.htm>>, accessed 25 February 2018.

44. IHS Markit, 'Sea-web Ships', <www.maritime.ihs.com>, accessed 25 February 2018.

45. Leo Byrne, 'Nearly 50 North Korea-linked Ships Reflag as Tanzanian', NK Pro, <<https://www.nknews.org/pro/nearly-50-north-korea-linked-ships-reflag-as-tanzanian/>>, accessed 10 May 2019.

46. Zanzibar Maritime Authority, Circular No. 01/2017, 19 January 2019, <<https://www.zma.go.tz/Notices/Circular%20No.%20FSI%2001.2017.pdf>>, accessed 10 May 2018.

47. Government of Fiji, Circular Letter No. 3798, <<https://www.transportstyrelsen.se/contentassets/65470b2679e34c7bb763e4c70a85495c/3798.pdf>>, accessed 10 May 2018.

Security Council resolutions.⁴⁸ A month later in October, the *Hua Fu* loaded coal in North Korea's port of Wonsan and delivered it to Vietnam.⁴⁹ During both journeys the vessel attempted to disguise its actions by sailing without transmitting AIS,⁵⁰ reporting fake port-calls and frequently changing call signs.⁵¹

The *Hua Fu* was deregistered by Panama on 6 March 2018 for its links to North Korea.⁵² On 30 March 2018 the ship was also sanctioned by the UN Security Council, subject to de-flagging measures and banned from port-entry.⁵³

Table 1: *Hua Fu* Events Timeline

Date	Event
1/9/2016	Then named <i>Chang An</i> comes under management of Chang An Shipping & Technology
1/9/2016	Then named <i>Chang An</i> flagged to Tanzania
1/10/2016	Tanzanian flag comes under dispute
1/11/2016	Ship renamed from <i>Chang An</i> to <i>Hua Fu</i>
1/3/2017	<i>Hua Fu</i> comes under ownership of North Korea's Jangan Co
1/3/2017	<i>Hua Fu</i> flagged to North Korea
1/5/2017	<i>Hua Fu</i> flagged to Panama
11/5/2017	Panama Maritime Documentation Services providing documentation to <i>Hua Fu</i>
19/5/2017	<i>Hua Fu</i> comes under ownership of Chang An Shipping & Technology
6/9/2017	Loaded North Korean coal at Nampo
7/10/2017	Delivered North Korean coal to Vietnam
6/3/2018	Deregistered by Panama for links to North Korea
30/3/2018	<i>Hua Fu</i> and Chang An Shipping & Technology sanctioned by the UN Security Council

Source: IHS Markit Sea-Web; Equasis; UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2018/171, 5 March 2018, pp. 100–01; UN Security Council, 'Security Council 1718 Sanctions Committee Adds 22 Entries to Its Sanctions List, Designates 27 Vessels', press release, SC/13272, 30 March 2018.

48. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2018/171, 27 June 2018, p. 101.

49. *Ibid.*, p. 102.

50. Automatic Identification System (AIS) is technology used by vessels to transmit positional data as required by the International Maritime Organization for vessels over a certain tonnage.

51. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2018/171, 27 June 2018, p. 26.

52. Panama Maritime Authority, Merchant Marine Circular MMC-361, <<https://www.segumar.com/wp-content/uploads/2018/02/MMC-361-rev-8FEB2018-NEW-Restricted-Vessels-List.pdf>>, 6 March 2018.

53. UN Security Council, 'Security Council 1718 Sanctions Committee Adds 22 Entries to Its Sanctions List, Designates 27 Vessels', press release, SC/13272, 30 March 2018, <<https://www.un.org/press/en/2018/sc13272.doc.htm>>, accessed 25 February 2018.

The *Benevolence 2* (IMO: 8405402)

In September 2014, a number of North Korean-operated ships – including the *Benevolence 2* – were arrested and detained by local Chinese authorities over unpaid mortgage charges.⁵⁴ North Korea responded by detaining vessels owned by the claimants over the pretext of ‘tax evasion’.⁵⁵ Subsequent negotiations resulted in the release of North Korea’s vessels, the writing-off of North Korean debt, and the transfer of the ships to a number of Hong Kong-registered companies.⁵⁶ The *Benevolence 2* was passed to Li Anshan’s Petrel Shipping at no cost.⁵⁷ A second vessel was passed to Li Anshan’s Hua Heng Shipping, the same company which the Egyptian authorities ultimately determined to be the owner of the *Jie Shun*.⁵⁸

However, six months prior to the arrest of the *Benevolence 2* the then Kiribatan-flagged ship listed Hua Heng as its ISM manager when inspected in Jiangsu, China on 3 March 2014.⁵⁹ Inspection records show that the majority of the ship’s documentation was, at that time, provided by Panama Maritime Documentation Services.⁶⁰

The *Dong Fang Shen Long* (IMO: 8651219)

In 2013, the Panel reported that the formerly North Korean-flagged and formerly named *Karo Bright* may continue to be under North Korea’s control.⁶¹ In fact, shipping databases show the vessel was commercially managed by a North Korean company named Unphasan Shipping Co Ltd (은파산선박회사) from December 2011 to August 2012.⁶² From October 2014 onwards the *Dong Fang Shen Long*’s manager has been Hong-Kong-registered Liberty Shipping.⁶³ In July 2017, Panama Maritime Documentation Services issued the vessel with the majority of its documentation.⁶⁴

On 23 February 2018 the US Department of the Treasury sanctioned Liberty Shipping for its links to North Korea.⁶⁵

54. UN Security Council, ‘Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)’, S/2016/157, 24 February 2016, p. 51–52.

55. *Ibid.*

56. *Ibid.*

57. *Ibid.*

58. *Ibid.*

59. See the record for *Benevolence 2* (IMO No.: 8405402) at Tokyo MOU, <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 25 February 2018.

60. *Ibid.*

61. UN Security Council, ‘Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)’, S/2013/337, 11 June 2013, p. 45.

62. IHS Markit, ‘Sea-web Ships’, <www.maritime.ihs.com>, accessed 25 February 2018.

63. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 19 December 2019.

64. See the record for the *Dong Fang Shen Long* (IMO No.: 8651219) at Tokyo MOU, <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 25 February 2018.

65. US Department of the Treasury, ‘North Korea Designations; Publication of North Korea Vessel Advisory’, 23 February 2018, <<https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20180223.aspx>>, accessed 26 April 2019.

Panama Maritime Documentation Services' Links to Zhang Qiao and the International Marine Survey Association

While the evidence presented above shows that both Fan and Dong have acted as surveyors for Panama Maritime Documentation Services, this investigation has discovered a number of other links between the organisation's Dalian-based branch and other entities linked to both Fan and Zhang Qiao.

Contact details used by Dalian Sea Glory Shipping, Dalian Sea Star Ship Technology and Panama Maritime Documentation Services are also used by another Dalian-based organisation named the International Marine Survey Association (IMSA).⁶⁶ Fan Mintian's Dalian Sea Star Ship Technology and the IMSA have also used the same room at a second address in Dalian on adverts posted online.

The International Maritime Organization's (IMO) official Global Integrated Shipping Information System (GISIS) database shows that the IMSA operates as a Recognized Organization for the Mongolian Maritime Administration.⁶⁷

Zhang Qiao is listed as the organisation's contact point, using an address, online domain, phone and fax number also used by several other of Zhang's companies, including those used by the operator of the *Jie Shun*, K Brothers Marine.⁶⁸ The listed fax number is the same as that used for the emergency contacts of the *Jie Shun*.⁶⁹

66. International Marine Survey Association, 'About', <<http://www.imsa-class.com/about>>, accessed 7 March 2018.

67. International Maritime Organization, 'Global Integrated Shipping Information System', <<https://gisis.imo.org/Public/Default.aspx>>, accessed 22 February 2018.

68. Tokyo MOU, 'PSC Database: K Brothers Marine Co Ltd', <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 26 April 2019.

69. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2017/150, 27 February 2017, p. 139.

Figure 4: Evidence of Common Contact Details for the IMSA, Panama Maritime Documentation Services, Dalian Sea Glory and Dalian Sea Star Ship Technology

INTERNATIONAL MARINE SURVEY ASSOCIATION

Home
Introduction
Download
Products
Contact us

Products & Service	CONTACT:
Ship Management	Ship Registry/Class survey: Miss Linda Wang
Class survey	Room701 Tower B shangfang harbour view, No.4K, wuwu road, zhongshan District,Dalian China 116001
ship registry	Tel:86-411-82597896/82827896
spare parts/stors supply	E-mail:info@imsa-class.com Ship stores/Spare parts supply Mr.Lee Tel:86-411-82630116 E-mail:Tech@byocean.com Hire Survey, Cargo Survey

PANAMA MARITIME DOCUMENTATION SERVICES,INC.

中国·大连市中山区五五4K 号上方港景B座701室

Room 701 Tower BShangfang Harbour View No.4K.Wuwu Road Zhongshan Dist., Dalian China 116001

86-411-82597896 / 82827896

Pmds-dalian@163.com / sea_glory@163.com

MEMORANDUM OF UNDERSTANDING ON PORT STATE CONTROL IN THE ASIA-PACIFIC REGION

Company data

Name	IMO number	Town	Residence	Registration	Address	Phone	Fax	E-mail
Dalian Sea Glory Shipping Co Ltd	5233903	China	China		Room M09,Chengda Building,71, Renmin Lu,Zhongshan Qu,Dalian,Liaoning,China.	+86 411 8259 7896	+86 411 8259 7096	sea_glory@163.com

041182827896

辽宁大连 中国联通

大连海之星船舶技术有限公司

该信息由搜狗号码通用户标记, 仅供参考

搜狗号码通收录了中国最全面最准确的电话号码库, 已入驻超过5000万商家, 收集超过2亿条电话号码。

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Source: International Marine Survey Association; IBYEC, Panama Maritime Documentation Services, Inc., <<http://w.ibyec.com/ListingIntro/大连海之星.html>>, accessed 3 January 2019; Tokyo MOU, 'PSC Database: Dalian Sea Glory Shipping', <http://www.tokyo-mou.org/inspections_detentions/psc_database.php>, accessed 26 April 2019; Sogou, Sogou Search Engine, <https://www.sogou.com/web?query=0411-82827896&_asf=www.sogou.com&_ast=&w=01019900&p=40040100&ie=utf8&from=index-nologin&from=index&sut=3584&sst0=1558356093218<=1%2C1558356093122%2C1558356093122&sugsuv=1551970640402288&sugtime=1558356093219>, 10 May 2019.

Figure 5: Evidence that Sea Star Ship and Dalian Shipping Were Using the Same Address

1.1 工商信息

工商注册号	210200000223644	登记状态	注销
法定代表人	赵红 查简历	注册资本	10.000000万
企业信用代码		成立时间	2006-06-09
登记机关	大连市中山区市场监督管理局	核准日期	2015-10-16
营业期限	2006-06-09 - 2016-06-08	企业类型	有限责任公司(自然人投资或控股)
所在省份	辽宁省	企业地址	辽宁省大连市中山区人民路71号M层09号
经营范围	船舶技术开发及相关技术咨询服务*** (依法须经批准的项目,经相关部门批准后方可开展经营活动。)		

范民田 FAN MINTIAN	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	4,000
吕铁和 LU TIEHE	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	3,000
董长青 DONG CHANGQING	ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA	3,000

Source: 水滴信用企业 [Shuidi Corporate Database], ‘大连海之星船舶技术有限公司’ [‘Dalian Sea Star Ship Technology’], <<http://shuidi.cn/company-ef49e541f236fb7e37e1b371d669c89b.html>>, accessed 19 February 2019; Hong Kong Companies Registry, ‘Sea Star Ship Co. Limited, 2013 Annual Return’, <<https://www.icris.cr.gov.hk/csci/>>, accessed 5 April 2019.

Figure 6: IMO Registration for Zhang Qiao's IMSA Organization**1. Recognized Organization**

Name:	International Marine Survey Association
Contact name:	Zhang Qiao
Address:	Room 1406 Anda Business Building #32-2 WuWu Road, Zongshan District, Dalian, China
City:	Dalian
Country/Territory:	China
Telephone:	0086 411 82630116
Telex:	
Fax:	0086 411 82709996
Email:	acct@byocean.com
Website:	

Source: IMO GISIS Database, <<https://gisis.imo.org>>, accessed 10 May 2019.

The registered address used by Zhang on the organisation's IMO registry also places the company in the same building in Dalian as the former office of North Korea's Ocean Maritime Management and several other North Korean entities.⁷⁰

An agreement between the Mongolian Maritime Administration and the IMSA shows that a person named Zahng Qiao (*sic.*) signed the document on 31 July 2015.⁷¹

Figure 7: Signatures on the Recognized Organization Agreement Between the Mongolian Maritime Administration and Zhang Qiao's IMSA

IN WITNESS WHEREOF the undersigned, duly authorized by the parties, have signed this Agreement on the dates indicated below:

For the Mongolia Ship Registry:

Name: L. TAMIR
 Designation of Mongolia Ship Registry
 Mongolia Maritime Administration (Operations)

Date: _____



For RO

Name: ZAHNG QIAO
 Designation
 RO

Date: 2015. 07. 31

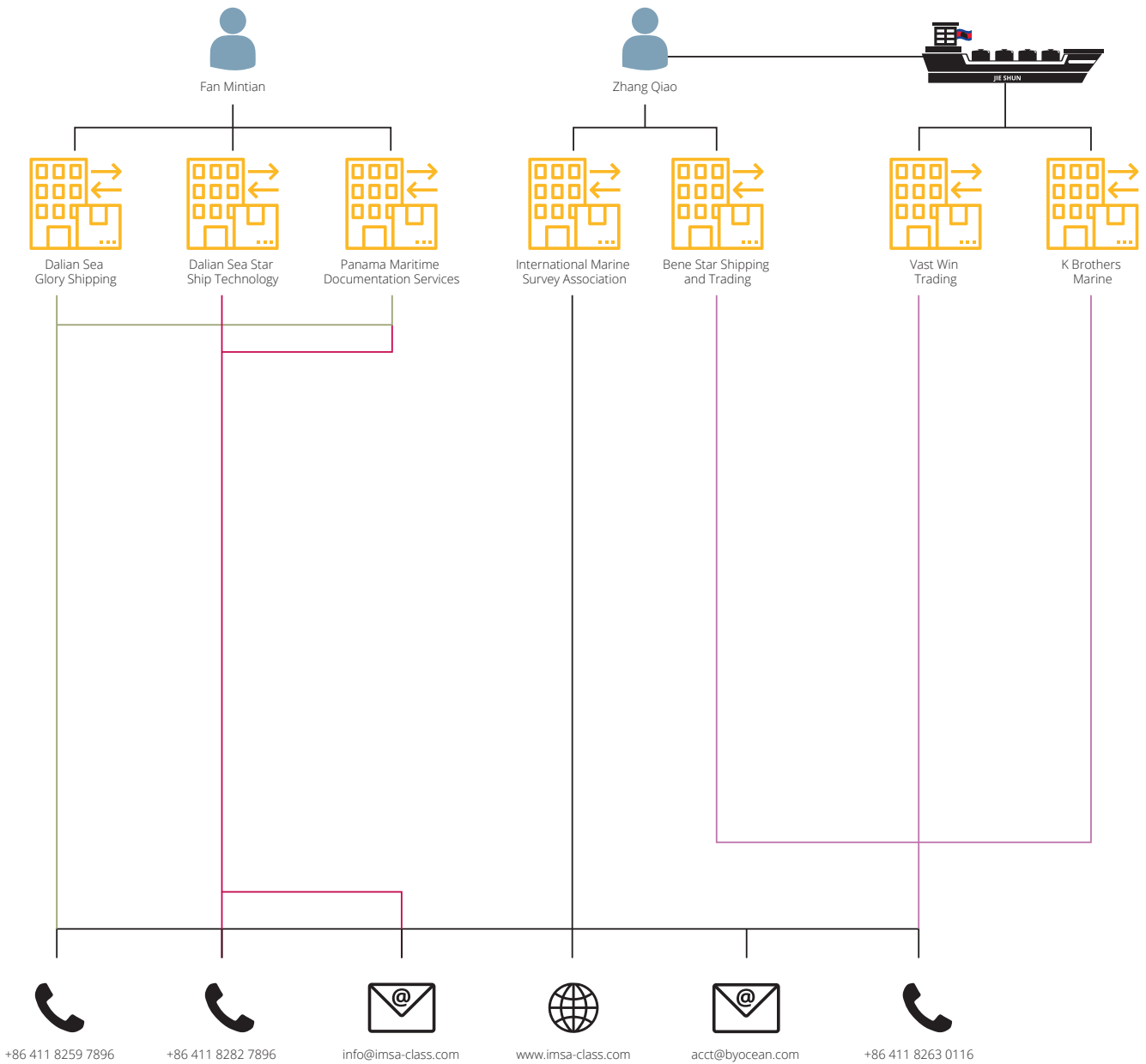


Source: IMO GISIS Database, <<https://gisis.imo.org>>, accessed 10 May 2019.

70. James Byrne and Tom Plant, 'The *Jie Shun* Incident: Chinese State-Owned Enterprise Connections to the North Korean Arms Trade', RUSI Project Sandstone Series, February 2019.

71. IMO Mongolia-IMSA Agreement.

Figure 8: Shared Contact Details Between North Korean-Linked Entities and IMSA



Source: Project Sandstone.

The date on which Zhang signed the Recognized Organization agreement with the Mongolian Maritime Administration was only eight days after the US Treasury sanctioned a Singaporean national named Leonard Lai.⁷² This is significant because an investigation published by *38 North*⁷³ at the time detailed Leonard Lai's

72. US Department of the Treasury, 'North Korea Designations and Updates; Non-Proliferation Updates', 23 July 2015, <<https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150723.aspx>>, accessed 10 May 2019

73. See Berger, 'North Korea's Friends in Singapore Running Flags of Convenience'.

long association with North Korea's shipping networks and his role as a director of the Mongolian registry based in Singapore.⁷⁴

At the same time as Leonard Lai was sanctioned, the US Treasury also designated his company Senat Shipping and its Mongolian-flagged vessel then named the *Dawnlight*.⁷⁵ A subsequent investigation by the *Washington Post* revealed that, following these sanctions, the *Dawnlight* had been quickly sold to Zhang's Bene Star Shipping for \$2.2 million and struck-off the Mongolian register.⁷⁶

However, an inspection of the ship later that year in Vanino, Russia, showed the vessel was still flying a Mongolian flag and listing Senat Shipping as its ISM Manager.⁷⁷

A whois search of IMSA's website (www.imsa-class.com) shows that Zhang Qiao registered the domain on 11 August 2015,⁷⁸ less than two weeks after he signed the agreement with the Mongolian Maritime Administration. The registrant organisation, Jixing chuanbo maoyi youxian gongsi, is the pinyin for 吉星船舶貿易有限公司. This is the Chinese name of the Hong Kong-registered company Bene Star Shipping and Trading, which is owned by Zhang and another Chinese individual named Gu Min.⁷⁹ The Panel's investigation into the *Jie Shun* found that Bene Star Shipping and Trading 'is a key node connecting multiple companies linked to the Democratic People's Republic of Korea and vessels associated with the Ocean Maritime Management Company'.⁸⁰

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74. Accounting and Corporate Regulatory Authority, 'Mongolia Ship Registry Pte Ltd', 10 June 2015, available at *38 North*, <<https://www.38north.org/wp-content/uploads/2015/06/Mongolia-Ship-Registry.pdf>>, accessed 5 April 2019.
75. US Department of the Treasury, 'North Korea Designations and Updates; Non-Proliferation Updates', 23 July 2015, <<https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20150723.aspx>>, accessed 5 April 2019.
76. Anna Fifield, 'The Voyages of the Dawnlight: Where is it Headed? And What is it Carrying?', *Washington Post*, 18 February 2016.
77. Tokyo MOU, 'PSC Database: Ko San', <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 5 April 2019.
78. DomainBigData, 'Domains', <<https://domainbigdata.com/imsa-class.com>>, accessed 26 February 2019.
79. Hong Kong Companies Registry, 'Bene Star Shipping & Trading, 2015 Annual Return', <<https://www.icris.cr.gov.hk/csci/>>, accessed 5 April 2019.
80. UN Security Council, 'Report of the Panel of Experts Established Pursuant to Resolution 1874 (2009)', S/2017/150, 27 February 2017, p. 31.

Figure 9: Bene Star’s Chinese Name is the Same as the Pinyin Listed as the Registrant of the International Marine Survey Association

1 擬採用的公司名稱 Intended Company Name

擬採用的公司英文名稱 Intended English Company Name

BENE STAR SHIPPING AND TRADING LIMITED

擬採用的公司中文名稱 Intended Chinese Company Name

吉星船舶貿易有限公司

Source: Hong Kong Companies Registry, ‘Bene Star Shipping and Trading Incorporation Form 2011’, <<https://www.icris.cr.gov.hk/csci/>>, accessed 5 April 2019.

An associated domain (www.imsa-pmds.com), which hosts a nearly identical website and logo as of April 2019, uses the Panama Maritime Documentation Services acronym in its URL.⁸¹

While it remains unclear how many vessels the IMSA may have certified, flagged, or provided maritime services for, ship inspection records show that the Mongolian-flagged *Tian Tong* was classed by the IMSA when inspected in Weihai on 30 November 2016.⁸² Like the *Hua Fu* mentioned above, the *Tian Tong* also flew a fraudulent Fijian flag in 2016.⁸³ At the time, the ship also listed Zhang’s Hong Kong-registered Baili Shipping and Trading as its ISM manager.⁸⁴ The *Tian Tong* was later flagged to North Korea in November 2017,⁸⁵ indicating it may have been a North Korean ship sailing under a flag of convenience.

81. International Marine Survey Association, <www.imsa-pmds.com>, accessed 20 December 2018.

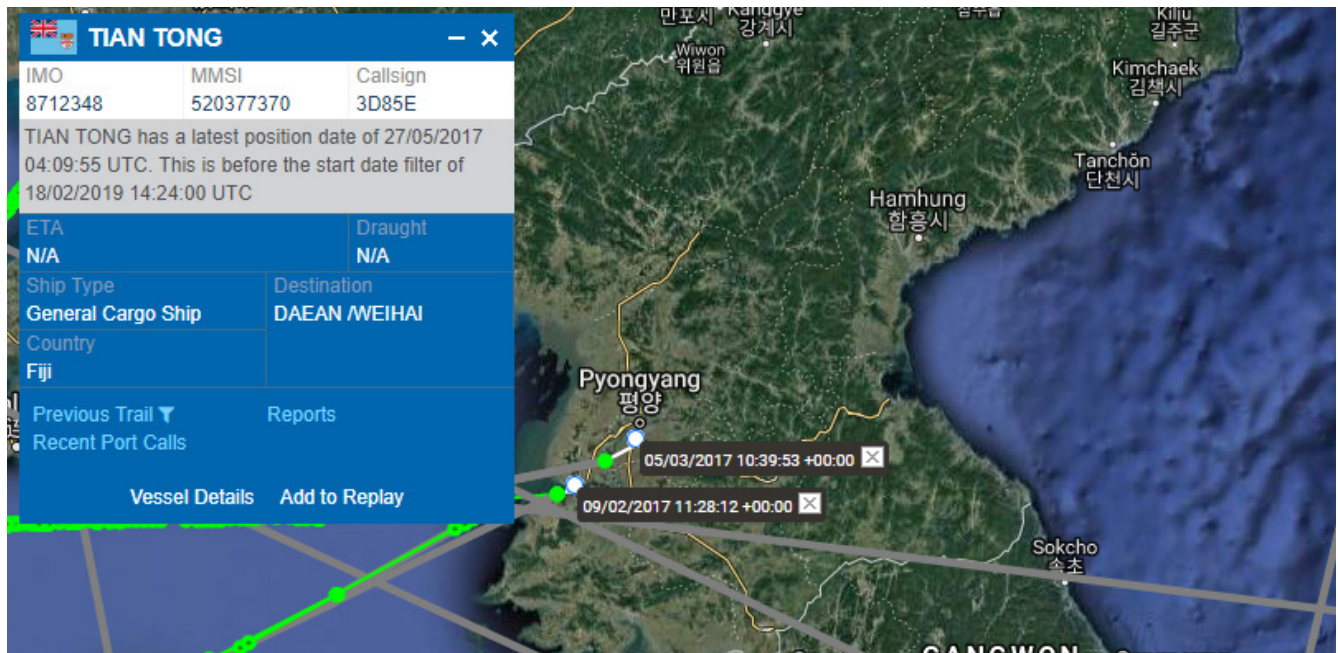
82. See the record for *Tian Tong* (IMO No.: 8712348) at Tokyo MOU, <http://www.tokyo-mou.org/inspections_detentions/detention_list.php>, accessed 25 February 2018.

83. Government of Fiji, Circular Letter No. 3798, <<https://www.transportstyrelsen.se/contentassets/65470b2679e34c7bb763e4c70a85495c/3798.pdf>>, accessed 10 May 2018.

84. *Ibid.*

85. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 18 December 2019.

Figure 10: The *Tian Tong* Calling into North Korean Ports while Zhang's Baili Shipping and Trading was its ISM Manager



Source: Polestar Space Applications.

An analysis of other ships associated to Zhang and his companies shows that at least seven have flown the Mongolian flag while owned, managed or ISM managed by connected companies.

Table 2: Zhang-Linked Ships Flying the Mongolian Flag

	Ship Name	IMO	Mongolian Flag		Company	Role
			From	To		
1	<i>Ji Xing</i>	9333589	February 2016	March 2017	Bene Star Shipping & Trading	Registered owner
2	<i>East Brave</i>	8418227	February 2015	Broken up	K Brothers Marine Co Ltd	Registered owner
3	<i>Sea Warrior</i>	8505329	January 2015	Broken up	K Brothers Marine Co Ltd	Registered owner
4	<i>Tian Tong</i>	8712348	January 2016	December 2016	Baili Shipping & Trading Ltd	ISM manager
5	<i>Ko San</i>	9110236	June 2014	January 2016	Sinotug Shipping Ltd	Registered owner
					K Brothers Marine Co Ltd	Registered owner
6	<i>Myong Sin</i>	9045182	June 2003	September 2015	T Sisters Co Ltd	Registered owner
					Baili Shipping & Trading Ltd	ISM manager
7	<i>Galaxy 1</i>	8717972	February 2015	May 2016	Baili Shipping & Trading Ltd	Commercial manager
					Sinotug Shipping Ltd	Registered owner

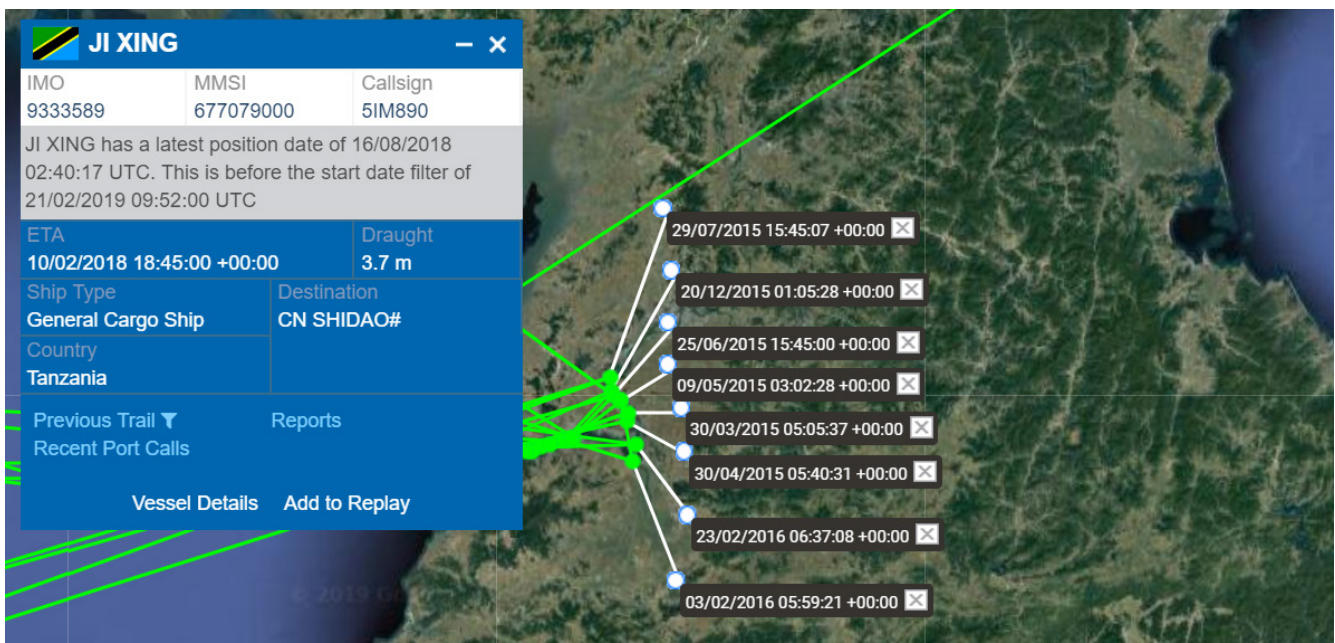
Source: IHS Markit Sea-Web; Equasis; Project Sandstone.

Of these, at least three – the *Ji Xing*, *Ko San* (formerly the *Dawnlight*) and *Myong Sin* – have made regular visits to North Korea while Mongolian flagged.⁸⁶ One of these ships, the *Galaxy 1*, was issued with a Safety Management Certificate by Panama Maritime Documentation Services on the same day as Zhang’s Baili Shipping and Trading became the ship’s commercial manager.⁸⁷

The *Ji Xing* – then named the *Orion Star* – was sanctioned by the US Treasury on 16 March 2016 as a North Korean vessel linked to Ocean Maritime Management.⁸⁸ At the time, the vessel was owned and managed by Zhang’s Bene Star Shipping.

Meanwhile, both the *Myong Sin* and another ship formerly managed by Zhang’s Baili Shipping and Trading named the *Ever Bright 88* were both identified as having flown a fraudulent Fijian flag by the Fijian government in 2017.⁸⁹

Figure 11: The *Ji Xing* Calling into North Korean Ports



Source: Polestar Space Applications.

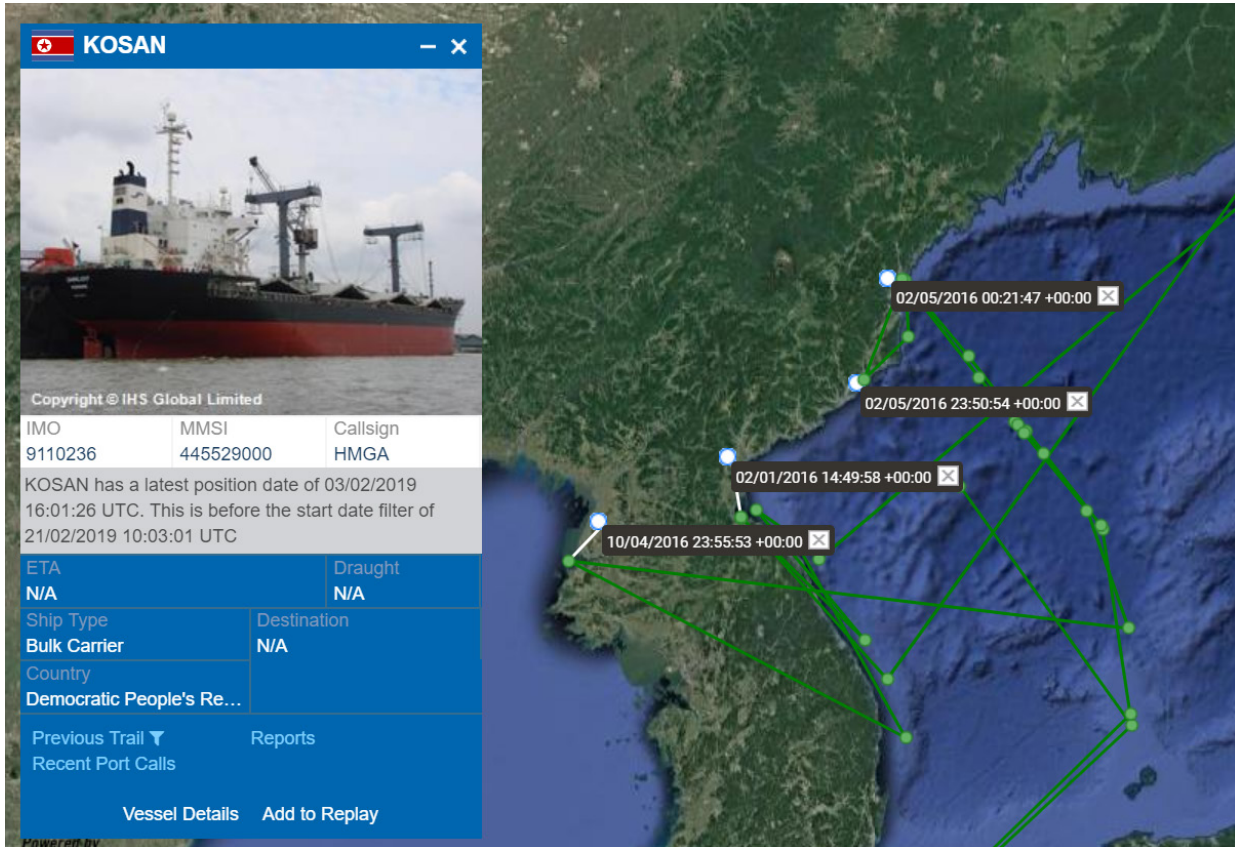
86. AIS data provided by Polestar Space Applications.

87. See IHS Markit, ‘Sea-Web Ships’, <www.maritime.ihs.com>, accessed 26 February 2018; see also vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 26 February 2018.

88. US Department of the Treasury, ‘North Korea Designations’, <<https://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20160316.aspx>>, 16 March 2016.

89. Government of Fiji, Circular Letter No. 3798, <<https://www.transportstyrelsen.se/contentassets/65470b2679e34c7bb763e4c70a85495c/3798.pdf>>, accessed 10 May 2018.

Figure 12: The *Ko San* Calling into North Korean Ports



Source: Polestar Space Applications.

Conclusions

EVIDENCE COLLECTED and presented above shows that a number of Chinese nationals with extensive links to North Korea's illicit shipping fleet have acted as vessel surveyors for Recognized Organizations such as Panama Maritime Documentation Services and even operated their own classification agency named the International Marine Survey Association.

Registered to the same room in Dalian as companies closely linked to Fan Mintian, Zhang Qiao and North Korea, the International Marine Survey Association's address also places it in the same building as the former office of Ocean Maritime Management. Several links between these entities and individuals such as shared emails, phone numbers and addresses also suggest that Fan, Dong, Zhang and the companies and organisations they operate are much more closely connected than may at first appear on the surface.

In fact, these practices and typologies follow a *modus operandi* often employed by North Korean illicit networks as identified by the US Treasury.⁹⁰ According to advisory issued by FinCen in 2017 'DPRK-linked financial facilitators often establish and use multiple companies with the same owners or managers. These companies also frequently share addresses, telephone numbers, and employees, and they may transact with similar business partners'.⁹¹

Fan's, Dong's and Zhang's employment with, and operation of, Recognized Organizations and Classification Societies may therefore help explain how some North Korean-linked vessels have been able to avoid scrutiny and continue operation as foreign-flagged vessels.

Furthermore, the discovery that Zhang Qiao signed an agreement with the Mongolian Maritime Administration days after the sanctioning of Leonard Lai and subsequently took ownership of Lai's sanctioned vessel named the *Dawnlight* potentially indicates a level of coordination between different North Korean-linked shipping networks.

90. US Department of the Treasury, FinCEN, 'Advisory on North Korea's Use of the International Financial System', FIN-2017-A008, 2 November 2017, <https://www.fincen.gov/sites/default/files/advisory/2017-11-02/DPRK%20Financing%20Advisory%20FINAL%2011022017_0.pdf>, accessed 26 April 2019.

91. *Ibid.*

About the Author

James Byrne is a Research Fellow in RUSI's Proliferation and Nuclear Policy programme. His research interests include North Korea's illicit shipping and procurement networks, open-source intelligence and analysis. He previously worked for the South Korean government.