



CHALOS & Co.

International Law Firm



Anchoring Power – The Rise of the U.S. as Global Enforcers in the Maritime Industry

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Maritime Law in the United States

- The founding fathers of the United States agreed that federal courts – not state courts – would exercise admiralty jurisdiction, because maritime suits often involved questions of national importance.
- Article III of the U.S. Constitution states that the “judicial power shall extend . . . to all cases of admiralty and maritime jurisdiction.”





**United States Admiralty Law
developed from English
Admiralty Courts**



Maritime Law in the United States

- Early admiralty cases focused on:
 - Seizure of vessels violating the Congressional ban on American ships participating in the international slave trade. Slave Trade Act of 1800, Pub. L. 6–51
 - Government seizures to enforce revenue laws
 - Piracy
 - Seizure of ships for commercial claims



Trade Sanctions are as Old as History Itself!

- The Megarian Decree, 432 B.C.
- One of the first documented examples of economic sanctions as a foreign policy tool. Prohibited Megarian citizens from harbors and marketplaces throughout the Athenian Empire.



Pericles – Sponsor of the Megarian Decree

History of U.S. Sanctions

- The United States has a long history of sanctions dating back to the War of 1812 when the Secretary of the Treasury administered sanctions against Great Britain for the harassment of American sailors.
- During the Civil War, Congress approved a law which prohibited transactions with the Confederacy, called for the forfeiture of goods involved in such transactions, and provided a licensing regime under rules and regulations administered by the Treasury.
- <https://ofac.treasury.gov/faqs/topic/1501>

Department of Treasury

- The Treasury Department (established 1789) is responsible “for promoting economic prosperity and ensuring the soundness and security of the U.S. and international financial systems.”



Department of Treasury

- The Treasury Department also seeks to play a role in the safeguard of U.S. financial systems by “implementing economic sanctions against foreign threats to the U.S. and identifying and targeting the financial support networks of national security threats.”



- <https://www.federalregister.gov/agencies/reasury-department>



OFFICE OF FOREIGN ASSETS CONTROL (“OFAC”)

- OFAC is an agency within the Treasury Department, which was created December 1950, following the entry of China into the Korean War, when President Truman declared a national emergency and blocked all Chinese and North Korean assets subject to U.S. jurisdiction.
- <https://ofac.treasury.gov/faqs/topic/1501>

OFAC MISSION STATEMENT

To “administer and enforce economic and trade sanctions based on US foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States.”

<https://ofac.treasury.gov>



The Rise of U.S. Enforcement in the Maritime Sector

U.S. Prominence – U.S. Dollar

“It is the common practice of foreign entities who engage in international maritime transactions to make and receive payments in U.S. dollar transfers.” *DBCN v. Enersur S.A.*, 2009 U.S. Dist. LEXIS 94410 (SDNY 2009).



“The world uses the dollar because the United States has the deepest and most flexible financial markets, the clearest and most transparent corporate governance, and (in spite of recent sanctions) the least amount of discrimination between domestic residents and foreigners.” Pettis, Michael, *China Financial Markets*, Carnegie Endowment for International Peace, April 12, 2022.

U.S. Prominence – Marine Insurance

Largest Ocean Marine Insurers

- Berkshire Hathaway
- AIG
- Travelers
- Chubb
- Allianz

IG Group P&I Insurers

- Skuld
- Gard
- North-Standard
- American
- Britannia
- UK
- West of England

U.S. Prominence – Domestic Oil Majors



U.S. Prominence – Foreign Oil Majors



PetroChina



TotalEnergies

U.S. Prominence – Foreign Ship Registries

- #1 – Liberia – Over 260 million gt, approximately 5,100 ships
- Panama had held top spot for thirty (30) years;
 - Liberian International Ship and Corporate Registry (LISCR), “a private U.S. owned and globally operated company.”

VIRGINIA (Headquarters)
22980 Indian Creek Drive
Dulles, VA 20166 USA



U.S. Prominence – Foreign Ship Registries

- #3 – Marshall Islands - 200 million gt and 5400 ships
 - International Registries Inc. – “IRI is the world’s most experienced, privately held maritime and corporate registry service provider, recognizing the specialized needs of the shipping and financial services industries across a broad commercial and economic spectrum. Headquartered just outside of Washington, DC in Reston, Virginia USA”

WASHINGTON D.C. / RESTON (Headquarters)

11495 Commerce Park Drive

Reston, Virginia 20191-1506

United States of America



INTERNATIONAL
REGISTRIES



U.S. Prominence – New York

“The Southern District of New York is home to one of the largest ports in the world. Its courts are well versed in admiralty matters, so [its] decisions are persuasive.” Judge Ron Clark, *Flame S.A. v. M/V Lynx*, 2010 U.S. Dist. LEXIS 145880, *9 (E.D. Tex. 2010).



U.S. Prominence – Port of NY/NJ



U.S. Prominence – Houston



U.S. Prominence – New Orleans



U.S. Prominence – Port of LA/Long Beach



U.S. Prominence – Miami



A Bridge Too Far?

The U.S. exercises jurisdiction over numerous regulatory and legal issues which happen in international waters or foreign shores, despite a general rule in the United States against extraterritoriality.

MARPOL/APPS Investigations

- **MARPOL 73/78**
 - United States is a party, but the treaty is not self-executing;
- **The Act for the Prevention of Pollution from Ships, (“APPS”) 33 U.S.C. §§ 1901 – 1911**
 - APPS is the law implementing MARPOL in the United States
 - 33 C.F.R. 151.25

MARPOL/APPS Investigations



Richard Udell, Senior Litigation Counsel, United States Department of Justice



APPS - Extraterritorial Enforcement

“Just as the murdering crime boss Al Capone was imprisoned for tax evasion, these foreign-flagged, high seas polluters may be prosecuted by the port state, not for the pollution that occurred beyond the port state jurisdiction, but for the false ORB present within the port state jurisdiction . . . the sovereignty limits of the convention are overcome by this enforcement strategy, but it’s not enough. Many states do not take advantage of this jurisdictional hook..”

Rethinking MARPOL Enforcement, CDR John T. Dewey
Spring 2018 (emphasis added)
Coast Guard Proceedings Magazine



OFAC and Specially Designated Nationals

OFAC interprets Executive Orders and statutes.

OFAC maintains a list of individuals, companies, and vessels owned or controlled by, or acting for or on behalf of, sanction targets.

Assets (primarily U.S. dollars) are blocked and U.S. persons are prohibited from dealing with SDN entities.



“Persons” Subject to U.S. Sanctions Controls

- Organizations formed in U.S. (including foreign branches); U.S. citizens, permanent residents, approved asylees, all U.S. persons, covered wherever located; and foreign nationals located in the United States (31 CFR § 560.314).
- Non-U.S. persons and entities to the extent they deal in items subject to U.S. jurisdiction (50 USC § 1705).
- Foreign entities/subsidiaries controlled by a U.S. person (31 CFR §§ 515.329; 560.215).



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HAITI

How U.S. sanctions turn people into ‘economic pariahs’ and why some call it a civil death



US Secretary of State Mike Pompeo. The State Department is offering up to \$15m for information on Iranian Revolutionary Guard money-making schemes. Photo: Gage Skidmore/Creative Commons Attribution-ShareAlike 2.0

US offering \$15m for information on Iranian oil schemes

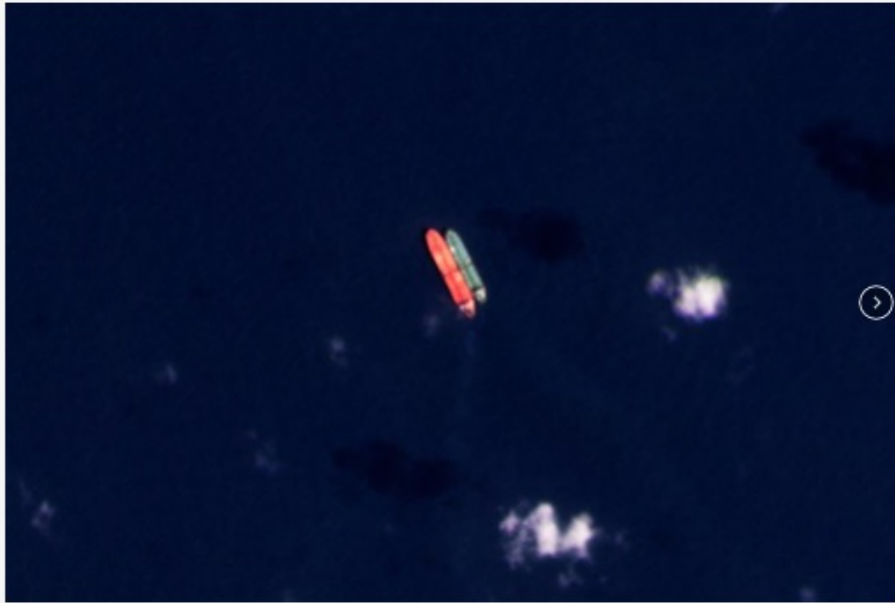
The "unprecedented" plan could pay up to \$15m for information on Iranian military activities

5 September 2019 17:53 GMT *UPDATED 5 September 2019 17:53 GMT*
by Matt Coyne

M/T SUEZ RAJAN

Group alleges US firm's tanker illicitly traded Iran oil

By JON GAMBRELL February 17, 2022



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DUBAI, United Arab Emirates (AP) — A tanker owned by a Los Angeles-based private equity firm likely took part in the illicit trade of Iranian crude oil at sea despite American sanctions targeting the Islamic Republic amid the collapse of its nuclear deal with world powers, an advocacy group alleges. The firm said Thursday it is cooperating with U.S. government investigators.

The group United Against Nuclear Iran raised its allegations in a letter dated Tuesday to Oaktree Capital Management, which holds assets worth over \$160 billion. Satellite images and maritime tracking data analyzed by The Associated Press correspond to the group's identification of the vessels allegedly involved and showed them side-by-side off the coast of Singapore on Saturday.

The alleged oil transfer comes as world powers and Iran negotiate in Vienna over restoring the nuclear deal. That accord saw Tehran drastically limit its enrichment of uranium in exchange for the lifting of economic sanctions — including those targeting its crucial oil sales.

- UANI tracked the M/T Virgo allegedly loading crude oil from Iran's Khargh Island, its main oil distribution terminal in the Persian Gulf.
- Satellite photo provided by Planet Labs PBC to the Associated Press showing the vessels identified as the Virgo and Suez Rajan, allegedly completing an STS of Iranian sourced oil in the South China Sea on or about February 5-6, 2022.

M/T SUEZ RAJAN

- A foreign flagged ship, with a foreign owner, foreign crew, foreign charterer, foreign insurer, and engaged in trade between two (2) foreign ports was held in limbo in foreign waters for over a year.
- Failure to comply with the demands of the U.S. authorities would lead to SDN listing.
- Criminal prosecution and guilty plea by vessel's registered owner on April 19, 2023, fine of \$2.5 million, three years probation, and turnover of 980,000 barrels of crude for civil forfeiture sale.
- United States DOJ attorneys obtained a civil forfeiture order and directed the Vessel to sail to Houston. The crude was sold to an unnamed buyer in November 2023 for USD 83.4 million.

M/T SUEZ RAJAN



M/T ADVANTAGE SWEET

LATEST JOBS **Brokers - Individuals or teams**



Iranian forces seize Advantage Tankers suezmax in Gulf of Oman

US Navy says vessel was en route from Kuwait to Texas

27 April 2023 13:45 GMT UPDATED 27 April 2023 19:26 GMT

By Gary Dixon and Harry Papachristou in London and Athens

The US Navy says a Swiss-controlled suezmax has been seized by Iranian forces in the Gulf of Oman.

The Middle East-based Fifth Fleet identified the vessel as the 159,100-dwt Advantage Sweet (built 2012) in a statement on Twitter.



Iran seizes foreign-owned ship in alleged smuggling case

[Read more](#)

The Marshall Islands-flag tanker was intercepted on Thursday afternoon in international waters amid wider tensions over Tehran's nuclear programme.

Satellite tracking data showed the ship just north of Oman's capital, Muscat, at the time.

The tanker had loaded crude in Kuwait and listed its destination as Houston, Texas.

The Advantage Sweet issued a distress call at 13:15 local time as the seizure took place.

Advantage Tankers chief executive Tugrul Tokgoz told TradeWinds the ship had been seized by the Iranian Navy and was being taken to an Iranian port. The crew is safe, he added.

"The safety and welfare of our valued crew members is our number one priority. Similar experiences show that crew members of vessels taken under such circumstances are in no danger," Advantage added in a statement released later.

- Swiss controlled suezmax seized by Iranian forces in the Gulf of Oman on April 27, 2023.
- On March 6, 2024, Iranian Court ordered confiscation of the oil valued at \$50 million dollars following a lawsuit by Iranian citizens suffering from a rare genetic skin disorder, Epidermolysis Bullosa.
- The suit alleged that these patients were suffering due to the refusal of a Swedish manufacturer of specialized bandages and dressing to sell the medical supplies to Iran due to the U.S. and Western sanctions.

M/T ST. NIKOLAS

- On January 11, 2024, Iran seized the M/T St. Nikolas (ex *Suez Rajan*) off the Coast of Oman. Iran alleged it was an “American oil tanker.” Iran asserted that the crew was not being held as hostages but were employees aboard the tanker which had been legally seized by a court order.
- In March 2024, Iran worked out an agreement with Philippine Department of Foreign Affairs to change out crewmembers that had reached the end of their respective contracts. Cargo was released to Turkish Owners in July 23-25, 2024.



IRANIAN RESPONSE

- Iran held five (5) ships with approximately ninety (90) crewmembers onboard in response to U.S. sanctions.
- M/T ST. NIKOLAS – Marshall Islands
- M/T ADVANTAGE SWEET – Marshall Islands
- M/T PURITY - Panama
- M/T NIOVI - Panama
- M/V MSC ARIES - Portugal



st-attack crafts from IRGC Navy swarming oil tanker Niovi as it transits the Strait of Hormuz, May 3, 2023

Recent USCG High Seas Enforcement

- SKIPPER (ADISA) – Caribbean Sea
- CENTURIES – Venezuela
- MARINERA (BELLA 1) – North Atlantic
- M SOPHIA – Caribbean Sea
- OLINA (MI NERVA M) – Caribbean Sea
- VERONICA – Caribbean Sea
- SAGITTA – Caribbean Sea
- AQUILA II – Indian Ocean
- VERONICA III – Indian Ocean
- BERTHA – Indian Ocean

Authority to Board Non-US Vessels on High Seas

- Get permission from flag administration;
- Stateless determination (right of visit).



UNITED STATES DISTRICT COURT

for the
District of Columbia

In the Matter of the Seizure of)
(Briefly describe the property to be seized))
THE M/T SKIPPER WITH INTERNATIONAL) Case No. 25-sz-50
MARITIME ORGANIZATION NUMBER 9304667)

APPLICATION FOR A WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

I, a federal law enforcement officer or attorney for the government, request a seizure warrant and state under penalty of perjury that I have reason to believe that the following property in the Jurisdiction of the District of Columbia is subject to forfeiture to the United States of America under _____ U.S.C. §
18 U.S.C. § 2339B(a)(1), 18 U.S.C. § 981(a)(1)(G)(i), 18 U.S.C. § 2332b(g)(5),
18 U.S.C. § 981(b)

(describe the property): the M/T SKIPPER (International Maritime Organization ("IMO") No. 9304667

AO 108 (Rev. 06/09) Application for a Warrant to Seize Property Subject to Forfeiture

UNITED STATES DISTRICT COURT
for the
District of Columbia

In the Matter of the Seizure of)
(Briefly describe the property to be seized))
THE M/T SKIPPER WITH INTERNATIONAL) Case No. 25-sz-50
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18 U.S.C. § 981(b)

(describe the property): the M/T SKIPPER (International Maritime Organization ("IMO") No. 9304667

The application is based on these facts:

SEE ATTACHED AFFIDAVIT WHICH IS INCORPORATED HEREIN BY REFERENCE.

Continued on the attached sheet.

Special Agent and _____ Special Agent
Printed name and title

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone.

Date: 11/26/2025

City and state: Washington, D.C.

Zia M. Faruqi, United States Magistrate Judge
Printed name and title

Judge's signature

Zia M. Faruqi, United States Magistrate Judge

Printed name and title

UNITED STATES DISTRICT COURT
for the
District of Columbia

In the Matter of the Seizure of
(Briefly describe the property to be seized)
THE M/T SKIPPER WITH INTERNATIONAL
MARITIME ORGANIZATION NUMBER 9304667

Case No. 25-sz-50

WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

To: Any authorized law enforcement officer

An application by a federal law enforcement officer or an attorney for the government requests that certain property located in the _____ Jurisdiction of the _____ District of _____ Columbia _____ be seized as being subject to forfeiture to the United States of America. The property is described as follows:

the M/T SKIPPER (International Maritime Organization ("IMO") No. 9304667

AO 129 (Rev. 11/13) Warrant to Seize Property Subject to Forfeiture

UNITED STATES DISTRICT COURT
for the
District of Columbia

In the Matter of the Seizure of
(Briefly describe the property to be seized)
THE M/T SKIPPER WITH INTERNATIONAL
MARITIME ORGANIZATION NUMBER 9304667

Case No. 25-sz-50

WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

To: Any authorized law enforcement officer

An application by a federal law enforcement officer or an attorney for the government requests that certain property located in the _____ Jurisdiction of the _____ District of _____ Columbia _____ be seized as being subject to forfeiture to the United States of America. The property is described as follows:

the M/T SKIPPER (International Maritime Organization ("IMO") No. 9304667

I find that the affidavit(s) and any recorded testimony establish probable cause to seize the property.

YOU ARE COMMANDED to execute this warrant and seize the property on or before 12/10/2025
 in the daytime 6:00 a.m. to 10:00 p.m. at any time in the day or night because good cause has been established.

Unless delayed notice is authorized below, you must also give a copy of the warrant and a receipt for the property taken to the person from whom, or from whose premises, the property was taken, or leave the copy and receipt at the place where the property was taken.

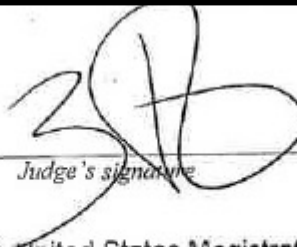
An officer present during the execution of the warrant must prepare, as required by law, an inventory of any property seized and the officer executing the warrant must promptly return this warrant and a copy of the inventory to
Zia M. Faruqi
(United States Magistrate Judge)

Pursuant to 18 U.S.C. § 3103a(b), I find that immediate notification may have an adverse result listed in 18 U.S.C. § 2703 (except for delay of trial), and authorize the officer executing this warrant to delay notice to the person who, or whose property, will be searched or seized (check the appropriate box)
 for _____ days (not to exceed 30) until, the facts justifying the delay specific date of _____

Date and time issued: 11/25/2025 10:50am

City and state: Washington, D.C.

Zia M. Faruqi, United States Magistrate Judge
Printed name and title



Judge's signature

Zia M. Faruqi, United States Magistrate Judge

Printed name and title



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International Law Firm

