

# What Next? A follow-on Analysis of U.S. Tanker Seizures

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This article is a follow-on to our earlier analysis, "US Seizure of MT SKIPPER: How Lawful Was It?", published in the last issue of the *The Arrest News*. Our initial article examined the legal framework underlying the U.S. boarding and seizure of MT SKIPPER based on the information available at the time. Since that publication, the United States has carried out at least six additional seizures of foreign tankers on similar grounds. This article extends the earlier analysis to address those subsequent seizures, the additional legal issues they raise, and—as of the time of writing—what is known about the disposition of the seized vessels and their cargoes, including the legal framework that may govern how the proceeds of those cargoes are ultimately distributed.

By way of background: on December 10, 2025, U.S. Coast Guard and FBI personnel boarded and seized the oil tanker MT SKIPPER in waters off the coast of Venezuela, marking one of the most significant maritime enforcement actions against 'shadow fleet' vessels in recent years. The vessel was originally designated by OFAC under the name ADISA in November 2022, and is alleged to be part of an evasive oil trade that ultimately funded the Islamic Revolutionary Guard Corps-Qods Force and Hezbollah. At the time of seizure, SKIPPER had loaded approximately 1.8 million barrels of Venezuelan heavy crude and was digitally manipulating its tracking signals to falsely indicate it was sailing off the coast of Guyana while also falsely flying the Guyana flag. The seizure raised foundational questions about the scope of U.S. maritime authority and the legal basis for seizing vessels and cargo on the high seas—questions this article continues to explore in light of the seizures that followed.

## Can the U.S. Board a Non-U.S. Vessel Outside of Its Territorial Seas?

It was legally essential that the boarding of SKIPPER and all of these seizures that followed was led by a U.S. Coast Guard Maritime Security Response Team (MSRT). The Coast Guard's boarding authority statute, 14 U.S.C. § 522, is unique in U.S. law. It authorizes the Coast Guard to “make inquiries, examinations, inspections, searches, seizures, and arrests upon the high seas and waters over which the United States has jurisdiction, for the prevention, detection, and suppression of violations of laws of the United States.” As a result of the high-seas language, the authority extends well beyond the twelve-nautical-mile territorial sea, reaching into international waters. The statute grants Coast Guard boarding officers the power to board any vessel "subject to the jurisdiction, or to the operation of any law, of the United States" and to use "all necessary force to compel compliance." Unlike land-based law enforcement officers who generally require a warrant, Coast Guard personnel can board and inspect vessels without warrant or suspicion.

The scope of this authority is not unlimited, however. Under international law, particularly the UN Convention on the Law of the Sea (UNCLOS), vessels on the high seas are generally subject to the exclusive jurisdiction of their flag state—the country where they are registered. As a result, states generally cannot unilaterally board and enforce domestic law against foreign-flagged vessels outside their own coastal waters unless UNCLOS provides an exception for doing so.

## **False Flags**

The key to the legal framework for the SKIPPER boarding was the vessel's registry status. According to reports, the SKIPPER was falsely flying the Guyana flag and was therefore a stateless vessel. Guyana had notified the International Maritime Organization that it de-listed the ship following advocacy group listings and U.S. sanctions. "Stateless" designation was crucial to the Coast Guard's authority to board. "The flag of a nation gives occupants of that vessel protection of a sort by the law of the flag nation." *United States v. Hurtado*, 89 F.4th 881, 893 (11th Cir. 2023). The inverse is equally true: a vessel with no flag—a stateless vessel—is vulnerable. When a vessel falsely claims registry under a flag it does not legitimately hold, or refuses to show any flag at all, states have the "right of visit," allowing their officials to stop and inspect the ship on the high seas.

The boarding and seizure of MT MARINERA (IMO 9230880, formerly BELLA 1) on January 7, 2026, presented a variant on the false flag rationale. MARINERA's boarding on the high seas between Iceland and the U.K. occurred after a pursuit from the Caribbean. Initially, the master of the vessel failed to cooperate with the boarding, itself a U.S. maritime crime known as "Failure to Heave-to" under 18 U.S.C. § 2237.

At the start of the pursuit, the vessel bore the name BELLA 1 and was falsely flying the flag of Guyana—Guyana denied that it was part of its registry. On Christmas Eve, the vessel was granted "temporary permission" to fly the Russian flag and was included in its ship registry. The U.S. treated this re-flagging as evasive and invalid and, as a result, the vessel remained stateless from the perspective of the U.S. administration.

This situation sits in tension with two adjacent UNCLOS Articles, 91 and 92. On the one hand, Article 91 grants flag states the authority to set the requirements for ships of their registries. On the other hand, Article 92 prohibits ships from alternating between flags for "convenience" and states that a ship "may not change its flag during a voyage" unless it represents a "real" change in registry. Ultimately, Russia's reaction was limited to a statement by its Foreign Ministry condemning the boarding.

## **Friendly Flags: Consent Boardings**

Even when a vessel has a valid claim of nationality and therefore properly flies the flag of its nation, the flag state may waive its claim of jurisdiction or consent to the boarding. This was the key to the seizure of MT CENTURIES ten (10) days after the SKIPPER seizure, on December 20, 2025. CENTURIES is a Panamanian-flagged VLCC, underway in the Caribbean Sea and laden at the time with approximately 1.83 million barrels of Venezuelan crude. AIS manipulation gave rise to suspicion of illegal activity.

Decades-old precedents allow a flag state to not only authorize the United States "to board, inspect, search, seize and escort the vessel to the United States, but also to prosecute the persons aboard the vessel." The United States and Panama have a long-standing agreement in place to facilitate such consent boardings—the Salas-Becker Agreement. Based on the suspicious manipulation of CENTURIES' AIS information, Panama authorized the United States to conduct a consent boarding of the vessel.

## **Seizure and Forfeiture**

While boarding authority establishes one element of lawfulness, the ability to seize a vessel and its cargo requires further authority. The seizure of SKIPPER was authorized in a warrant issued pursuant to 18 U.S.C. §§ 981, 982, 2332b(g)(5), and 2339B(a)(1), which authorize the seizure of "all assets, foreign or domestic, of any individual, entity, or organization engaged in planning or perpetrating any Federal crime of terrorism against the United States, citizens or residents of the United States, or their property." By framing the vessel and its cargo as assets supporting terrorism, the government established a legal basis for forfeiture under federal law.

The seizure of CENTURIES, in contrast to SKIPPER and MARINERA, did not occur pursuant to a warrant. Following the initial boarding of CENTURIES, no official statement indicated that the vessel was seized under a warrant for forfeiture. In light of this, and the absence of an alleged terrorist connection, CENTURIES may have been seized as evidence, rather than forfeiture—a legally significant distinction with consequences for how the vessel and cargo may ultimately be disposed of. MT SOPHIA was also seized as stateless, sanctioned tanker, flying a Panamanian flag. Its release three (3) weeks later to Venezuelan authorities suggests that proceeding without a warrant may present obstacles to subsequent forfeiture; at a minimum it serves as a time-tested quality control mechanism.

Our earlier article pointed out that the primary sanctions statute, the International Emergency Economic Powers Act (IEEPA) does not contain a generally applicable seizure and forfeiture provision like those under which the SKIPPER warrant was issued. Thus while blocking a vessel freezes property in place and prohibits transactions related to it, it does not result in a change in title like a forfeiture.

The absence of direct forfeiture authority in IEEPA itself should not be seen as a license to trade in violation of U.S. sanctions, however. Other IEEPA provisions may fill the gap. IEEPA grants the President authority to regulate property "subject to the jurisdiction of the United States," and OFAC has consistently interpreted this to include property anywhere in the world that is in the possession or control of a U.S. person. These grounds for jurisdiction would appear to apply when a sanctioned vessel comes under the control of the U.S. government in a law enforcement boarding—OFAC regulations state that blocked vessels entering U.S. jurisdiction must themselves be "physically blocked." IEEPA also contains criminal enforcement provisions, and other general criminal statutes may make property subject to forfeiture for violations, including 18 U.S.C. § 982.

## **Following the Proceeds**

News reports have suggested that the cargo of the MT SKIPPER, once discharged, may be sold with proceeds directed to funds benefiting U.S. victims of state-sponsored terrorism. This raises the question of which legal framework governs such a disposition—and the answer is not TRIA or IEEPA, but a distinct statute: the Justice for United States Victims of State Sponsored Terrorism Act (USVSST Act), codified at 34 U.S.C. § 20144, enacted as part of the Consolidated Appropriations Act of 2016.

The USVSST Act itself does not authorize forfeiture. It is a disbursement mechanism, not a seizure mechanism. It directs the net proceeds of forfeitures—already authorized and carried out under pre-existing statutes such as 18 U.S.C. §§ 981 and 982 cited in the SKIPPER seizure warrant—

into the U.S. Victims of State Sponsored Terrorism Fund, which in turn distributes payments to persons with judgments against designated state sponsors of terrorism, like Iran. Under the statute, 100% of net proceeds from criminal forfeitures and 75% of net proceeds from civil forfeitures flow to the Fund where the underlying violation has a connection to a state sponsor of terrorism.

USVSST approach has been used in a series of prior Iranian oil seizure cases. The 2020 seizures of cargo from the *Bella*, *Bering*, *Pandi*, and *Luna*, for example, involved no military or Coast Guard boarding at all. Instead, U.S. authorities leveraged sanctions pressure—threatening ship owners, insurers, and captains with designations—to compel voluntary cooperation and ship-to-ship cargo transfers. The *Suez Rajan* (2023) followed a similar model: a prolonged standoff resolved ultimately through a criminal plea by the operating company and eventual commercial compliance, not a law enforcement boarding.

The earlier cases used judicial process and commercial coercion to achieve forfeiture of cargoes that were already within reach of U.S. legal process through sanctions leverage. The at-sea boarding model deployed against *SKIPPER*, *MARINERA*, and *CENTURIES* in 2025–2026 is a legally novel approach to the initial seizure. The current seizures appear to be converging with past practice on the forfeiture and proceeds mechanisms applied. In view of the similarities, the details of the past oil forfeitures helps to understand how the current round of seizures may conclude:

**M/T Achilleas (2021):** A civil forfeiture complaint filed in the U.S. District Court for the District of Columbia alleged that all oil aboard the Liberian-flagged M/T *Achilleas* was subject to forfeiture based on terrorism forfeiture laws. The DOJ explicitly stated that funds successfully forfeited with a connection to a state sponsor of terrorism may in whole or in part be directed to the USVSST Fund. The petroleum was sold for approximately \$111 million.

**M/T Arina and M/T Nostos:** In a related action, petroleum onboard these two vessels was sold for approximately \$51 million, again with the USVSST Fund referenced as the intended recipient of forfeited proceeds.

**M/T Suez Rajan (2023) — Case No. 1:23-cv-00882-CJN (D.D.C.):** The first-ever criminal resolution involving a company that facilitated the illicit transport of Iranian oil. *Suez Rajan Limited* pleaded guilty to conspiring to violate IEEPA (Criminal Case No. 23-CR-00088) and received a corporate fine of nearly \$2.5 million. The sanctioned crude oil was offloaded in Houston after a prolonged standoff and sold for approximately \$74.7 million in net proceeds. The *Suez Rajan* itself was not forfeited—after offloading, the vessel quietly departed under a new identity, the *St. Nikolas*.

**M/T Abyss (2024):** A civil forfeiture complaint was unsealed alleging that more than 500,000 barrels of Iranian fuel oil valued at over \$25 million, previously onboard the *Abyss*, was forfeitable as property of the IRGC. The DOJ complaint contained the now-standard boilerplate language noting that funds successfully forfeited with a connection to a state sponsor of terrorism may in whole or in part be directed to the USVSST Fund.

**\$47 Million in Iranian Oil Proceeds (April 2025):** A civil forfeiture complaint was filed seeking \$47 million in proceeds from the sale of approximately one million barrels of Iranian petroleum product. The DOJ again noted that funds successfully forfeited with a connection to a state sponsor

of terrorism may be directed to the USVSST Fund. Since its establishment, the USVSST Fund has paid out over \$10 billion to eligible victims.

It should be noted that while the DOJ's forfeiture complaint against the SKIPPER contains the same IRGC and terrorism financing allegations that have triggered USVSST Fund distributions in prior cases, publicly available filings in the SKIPPER proceedings do not yet contain the explicit USVSST Fund boilerplate language present in earlier complaints. Whether the SKIPPER proceeds will ultimately flow to the Fund remains to be confirmed by official statement or court filing. Given the consistent pattern established across these prior cases, however, that outcome would be consistent with both the statutory framework and DOJ practice.

## **Conclusion**

The downstream disposition of seized cargoes through forfeiture proceedings that may direct proceeds to the USVSST Fund will shed light on the authorities and legal theories underpinning the seizures. The release of other vessels, like SOPHIA, also provides clues to the conditions where forfeiture is, and is not, viable. Finally, significant questions remain unclear with respect to what liability, if any, the United States itself might assume in taking custody of actively trading vessels. The situation of MARINERA (BELLA 1)—sitting at anchor off the Scottish coast for months, its crew dispersed, its captain in U.S. custody facing prosecution, and no forfeiture complaint yet filed—demonstrates the issue. The costs of maintaining custody of an uncrewed vessel in a foreign anchorage, together with potential exposure for crew maintenance and support, port fees, and bunker costs, presents obvious questions.

With the past as a guide, it is tempting to see the seizure of the vessels as more an incident to the seizure of the cargo than the vessels themselves. Yet BELLA 1 had no oil cargo on board during its transatlantic pursuit by the Coast Guard. Ultimately, the December and January tanker seizures likely represent something new in this respect. These seizures may prove novel not only in the legal theories applied to conduct the high-seas boarding and seizure, but equally for the international policy statements that they communicated.