

Requesting country: IPSG

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MODUS OPERANDI

	Fraudulent abuse of flag State registries for fishing vessels
Type(s) of offence:	Vessel Documentation Fraud: fraud in the presentation of all associated regulatory documents which flow from a valid registration with the flag State (including but not limited to: fishing licences, customs declarations, catch certification and food sanitation certification)
Date of the offence	Ongoing since at least 2000
Place of offence:	Global
Country of offence:	All jurisdictions where false vessel registry and false associated documentation are presented in relation to the vessel, vessel's owner/operator or trade in the products
Circumstances of offence:	Fishing vessels over certain dimensions operating under international and national management or regulatory regimes are required to place themselves on a flag State registry. Depending on the applicable legal regime, the definition of fishing vessels may include refrigerated fish carriers and support vessels.

Verifiable flag State registration as a pre-condition of access to coastal State fishing licenses

Official registration documents issued by a flag State are presented to regulatory authorities in other states for multiple purposes. Many of those purposes rely on an assumption of quality control and the ability of the flag State to verify documentation based on its authority or that of other regulators within the flag State's jurisdiction. A common example is the presentation of flag State registry documents to coastal State licensing authorities for access to their fisheries. In this case, the coastal State may be reliant on verifications and controls imposed by the flag State in terms of jointly implemented Monitoring Control and Surveillance conditions.

Verifiable flag State registration as a condition of trade in products

Trade in the products derived from fishing activity may be subject to flag State certification of compliance with national fisheries law, customs country of origin rules, customs duty determination, or food sanitation certification for public health protection (e.g., prohibited preservatives).

Without registration with recognised flag administrations, none of these features can be reliably verified and the likelihood of all associated regulatory

certifications being based on false pretences greatly increases.

Fraud: One vessel, multiple identities

Previous INTERPOL Purple Notices have identified a prevalent *modus operandi* whereby individual fishing vessels adopt multiple fraudulent vessel identities. These frauds are designed to bypass all of the controls described above and are part of organised transnational economic crime business models created to minimise the costs of operation, evade jurisdiction and maximise profits from trade in the products.

Fraud: Multiple vessels, one identity

A second type of fraud occurs when multiple vessels adopt the identity of a single legitimately licensed vessel. In these cases, the operators rely on a lack of surveillance cross checks which would reveal one vessel in multiple, physically disparate locations at the same time. Such risk factors are compounded by difficulties of cooperation between multiple jurisdictions, difficulties of interpreting documents in other languages, lack of familiarization with standard documentation, and the fact that many vessels are laid out in exactly the same way.

INTERPOL has developed an understanding of these *modi operandi* through cooperation with over 40 INTERPOL member countries. This Purple Notice compiles information received from INTERPOL member countries whose registries, port authorities, customs authorities, fisheries, food health or marine pollution regimes have been victims of these frauds. Apart from the impact of these frauds on fishing activity and trade in fisheries products, they also can potentially impact commercial matters such as insurance and conveyance of marine mortgages, to name just two examples. One last indirect result is the difficulties created in the control of crews and possible links to associated crimes such as labour exploitation, or even human trafficking.

Detection, risk factors and opportunities

Measures which countries can use to prevent use of these false registrations to gain access to legitimate documentation include:

- Verification of the registration with the purported flag State;
- Use of forensic verification tools and procedures, especially when copies of documentation are presented.
- Implementation of enhanced document security features for registry documentation;
- Adoption of simple inspection SOPs like quality check of the documents themselves following the rule of DQS (Detail, Quality, and Sharpness).

During vessel searches, enforcement authorities have uncovered a comprehensive collection of physical evidence to back up the frauds, including relevant physical country flags, blank registry templates for these countries, tools for document forgery and official-looking stamps. In some cases the fraud renders the vessel stateless, which creates additional avenues for enforcement as well as challenges in coordinating multijurisdictional investigations.

Description of modus operandi: Object/device/concealment method/procedure.

The modi operandi

1. In one actual case, genuine registry documents issued for vessel scrapping and specifying “NOT FOR NAVIGATION” were altered by the vessel’s captain, who removed the “NOT” to make it look like a regular registry certificate. On close examination, the fraud was detected by investigators. When the registry concerned was alerted, they removed the vessel from the registry immediately.
2. Provisional registry documents are issued by flag State registries subject to time-limited conditions for compliance verifications prior to full registry status being granted. However, these conditions are never complied with and the vessel is still granted full status. An example of one of these conditions is that requirement that a vessel be inspected by a flag State surveyor in a specified time and in a specified port. This can result in two different types of fraud. In the first, these conditions are never complied with and the vessel is still granted full status, with the flag State issuing registry documents regardless. Alternatively, the vessel might continue to sail around even when the provisional registry has expired without satisfying the conditions, or the vessel’s owners or operators corruptly upgrade the documentation that certifies compliance with the conditions falsified.
3. **Corruption:** Registry documents are produced on the correct flag State templates, with the correct signatures and stamps, but are never recorded on the flag State registry due to corrupt practices.
4. **Stolen blank documents:** Blank registry document templates obtained by the criminal operators are completed at sea using fake stamps and signatures.
5. **Vessel markings:** Hull markings and external identifiers are altered to mimic the vessel description on copies of registry documents issued to another vessel of similar construction. Any external markings on a vessel’s hull must follow specific and very restricted rules of marking; handwriting markings or markings clearly unprofessionally marked in the hull should raise suspicions. The rule of DQS if applied in these situations can help rule in or out the occurrence of a fraud.
6. **Third parties:** Registry documents are issued by third-party agents, based in countries other than the registering country, whose authority to do so was never granted by the flag State, or if it had been granted in the past, has been suspended by the flag State. In these cases, official state representations are often submitted by the affected flag State to international organisations and to INTERPOL advising them their flag is being abused. As many as ten flags may be affected by the activities of fraudulent registry agents.
7. **Flag-hopping:** Registry documents for a new flag are issued to a vessel without the old flag registry releasing the vessel. This leads to cases where perhaps as many as 80 vessels in a fleet are presenting the new flag documents when applying for fishing

licenses in a coastal State whilst still being officially registered on the old flag. This can be prevented by flag States requiring that in order for a vessel to change its registration, it must furnish a Transcript of De-Registry from the old flag State. This certificate of deletion should also be validated.

8. **Foreign beneficial ownership:** Registry documents are purportedly issued by a closed register, which in fact prohibits the registration of foreign-owned fishing vessels.
9. **Phantom Registration offices:** Registry documents are issued by ship registration websites that do not physically exist and have no official mandate, or whose offices cannot be contacted

Information and Intelligence Sharing

INTERPOL Global Fisheries Enforcement (GFIE) encourages all member countries with intelligence on this subject to share it with the INTERPOL General Secretariat to facilitate further analysis and identification of investigative opportunities.

It is strongly recommended that you circulate this Purple Notice to the law enforcement and regulatory bodies in your country dealing with fisheries crime, financial crime, customs fraud, document fraud and food sanitation fraud to alert them to these *modi operandi* and enable them to take the necessary preventative and investigatory steps.

Concrete cases requiring urgent action: In concrete operational cases when vessels abscond in defiance of orders to remain in port, countries may alert regional networks due to enhanced risks of identity fraud at the next port of call. INTERPOL has and will continue to cooperate with member countries to assist them namely in issuing national alerts or diffusions to specific groups of countries or Purple Notices to all INTERPOL member countries, or further checks with concerned flag States.

United Nations Convention on the Law of the Sea (UNCLOS): Some cases of fraud can render vessels stateless. In these cases, articles 92 and 110 of UNCLOS may apply to vessels engaged in registry fraud.

International Law Enforcement Cooperation in the Fisheries Sector: A Guide for Law Enforcement Practitioners: An INTERPOL guide with more detailed information on this subject can be found here: bit.ly/interpolguide-fisheries-lawenforcement2018

Point of contact: INTERPOL Illicit Markets Sub-Directorate – Environmental Security Programme
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Recommended precautionary action:

It is strongly recommended that you circulate this purple notice to your country's law enforcement bodies to alert them about this modus operandi and to allow them to take whatever preventive and precautionary measures they deem necessary. All recipients are strongly encouraged to share data, and provide any investigative information relating to this modus operandi.

IPSG Reference: 2018/952/OEC/ILM/ENS