

Treasury Sanctions International Network Smuggling Oil from Libya to Europe

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Actions Demonstrate U.S. Commitment to Disrupt Illicit and Destabilizing Activities in Libya

WASHINGTON – The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) today sanctioned six individuals, 24 entities, and seven vessels pursuant to Executive Order (E.O.) 13726 for threatening the peace, security, or stability of Libya through the illicit production, refining, brokering, sale, purchase, or export of Libyan oil or for being owned or controlled by designated persons. Oil smuggling undermines Libya’s sovereignty, fuels the black market and contributes to further instability in the region while robbing the population of resources that are rightly theirs. Illicit exploitation of Libyan oil is condemned by United Nations Security Council Resolutions (UNSCRs) 2146 (2014) as modified by 2362 (2017). As a result of today’s actions, any property or interest in property of those designated by OFAC within U.S. jurisdiction is blocked. Additionally, U.S. persons are generally prohibited from engaging in transactions with blocked persons, including entities owned or controlled by designated persons.

“Treasury is taking action to expose and end fuel smuggling and other illicit activities by those who are exploiting Libyan oil, petroleum products, and other natural resources for their own personal gain,” said Sigal Mandelker, Treasury Under Secretary for Terrorism and Financial Intelligence. “We are disrupting this illicit and destabilizing activity by isolating the individuals, companies, and vessels engaged in oil smuggling from the global financial system.”

MALTESE, LIBYAN, AND EGYPTIAN NATIONALS

OFAC designated Darren Debono, Gordon Debono, Rodrick Grech, Fahmi Ben Khalifa, Ahmed Ibrahim Hassan Ahmed Arafa, and Terence Micallef pursuant to E.O. 13726 for their involvement in the smuggling of petroleum products from Libya to Europe. In 2016, Maltese nationals Darren and Gordon Debono formed an unofficial consortium for illicit fuel smuggling from Zuwarah,

Libya, to Malta and Italy in an operation that reportedly earned the group over 30 million euros. Libyan national Fahmi Ben Khalifa managed the Libya side of the fuel smuggling operation, and Maltese national Rodrick Grech transported the Libya-originated fuel to European ports where it was sold using falsified fuel certificates, reportedly forged by Egyptian-Maltese citizen Ahmed Ibrahim Hassan Arafa, to obfuscate the fuel's origin. Additionally, Maltese national Terence Micallef operated a Malta-based shell company to sell the smuggled petroleum products in Europe.

MALTA-, ITALY-, AND LIBYA-BASED COMPANIES

Today's action also targets 21 companies for being owned or controlled by Darren and Gordon Debono and three additional companies for being involved in the illicit exploitation of crude oil or any other natural resources in Libya, including the illicit production, refining, brokering, sale, purchase, or export of Libyan oil.

OFAC designated Malta-based Petroplus Limited, The Business Centre Ltd., Inoest Ltd., KB Lines Limited, Motorcycle Art Ltd., Hi-Low Properties Ltd., Eleven Eighty Eight Limited, Malta Directories Ltd., Mr. Handyman Ltd., KB Investments Limited, Seabrass Limited, Tara Limited, Krakern Limited, Gorge Limited, S-Cape Yacht Charter Limited, S-Cape Limited, and Italy-based Petropark S.R.L pursuant to E.O. 13726 for being owned or controlled by Gordon Debono. OFAC also designated Malta-based Scoglitti Restaurant, Marie De Lourdes Company Limited, World Water Fisheries Limited, and Andrea Martina Limited for being owned or controlled by Darren Debono.

Malta-based companies ADJ Trading Limited and Oceano Blu Trading Limited and Libya-based Tiuboda Oil and Gas Services LLC were designated pursuant to E.O. 13726 for being involved in the illicit exploitation of crude oil or any other natural resources in Libya, including the illicit production, refining, brokering, sale, purchase, or export of Libyan oil. ADJ Trading Limited is also owned or controlled by Darren Debono, Fahmi Ben Khalifa and Ahmed Ibrahim Hassan Arafa.

Finally, OFAC identified the vessel THEODOROS as blocked property of ADJ Trading Limited, the vessels PROGRES, ZEUS, and BONU 5 as blocked property of Andrea Martina Limited, and the vessels MARIE DE LOURDES, MARIE DE LOURDES I, and MARIE DE LOURDES V as blocked property of World Water Fisheries Limited.

Identifying information on the individuals and entities designated today.

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