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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*. 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, and oil, coal and iron ore smuggling networks. Both Fan and Zhang were also described as key players in the *Jie Shun* incident by the Panel of Experts.

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 (海之星船蓁有限公司), 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.
- 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 vessels and is empowered by Mongolia’s Maritime Administration to flag ships under the Mongolian flag.
- 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

3. Leo Byrne and James Byrne, ‘Seized Oil Tanker Linked to N. Korean Networks, Investigation Reveals’, NK News, 3 January 2018.
5. Ibid., p. 31.
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.

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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. 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. 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.

Following the incident, the Light was transferred to Sea Star Ship, 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. This latter vessel was itself mentioned in the trial of a Singaporean company named Chinpo Shipping, 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.

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’. The South Hill 2 was subsequently designated by the UN Security Council as an asset of Ocean Maritime Management.

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 Puksae Shipping. See vessel ownership and management details at the Equasis maritime database, <www.Equasis.org>, accessed 15 December 2019.
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’. 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. 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.

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. The Panamanian-flagged *Koti* was held by South Korean authorities in December 2017 on suspicion of smuggling oil products to North Korean tankers. 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.

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22. Leo Byrne and James Byrne, ‘Seized Oil Tanker Linked to N. Korean Networks, Investigation Reveals’, NK News, 3 January 2018.
Figure 1: The Panamanian-Flagged Koti Conducting a Ship-to-Ship Transfer with the North Korean-Flagged Kum un San 3

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.
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. 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’.

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’.

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

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

29. *Ibid*.
Maritime Authority show that Panama Maritime Documentation Services acts as such a Recognized Organization.  

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’.  

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

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.

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31. Ibid.  
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.  
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

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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. 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. During the same month, the ship moved from a North Korean to a Panamanian flag.

On 19 May 2017, the *Hua Fu* was transferred to Hong Kong-registered but similarly named Chang An Shipping and Technology (長安海連技術有限公司), a North Korean-linked company designated by the UN Security Council on 30 March 2018.

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. A month later in October 2016, a report in NK Pro identified a large campaign of reflagging 50 North Korean-linked vessels to Tanzanian flags. 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. Meanwhile, a maritime circular issued by the Fijian government in October 2017 showed that this flag was itself fraudulent.

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

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

**Table 1: Hua Fu Events Timeline**

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


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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.
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.\(^5^4\) North Korea responded by detaining vessels owned by the claimants over the pretext of ‘tax evasion’.\(^5^5\) 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.\(^5^6\) The **Benevolence 2** was passed to Li Anshan’s Petrel Shipping at no cost.\(^5^7\) 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**.\(^5^8\)

However, six months prior to the arrest of the **Benevolence 2** the then Kiribatian-flagged ship listed Hua Heng as its ISM manager when inspected in Jiangsu, China on 3 March 2014.\(^5^9\) Inspection records show that the majority of the ship’s documentation was, at that time, provided by Panama Maritime Documentation Services.\(^6^0\)

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.\(^6^1\) 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.\(^6^2\) From October 2014 onwards the **Dong Fang Shen Long**’s manager has been Hong-Kong-registered Liberty Shipping.\(^6^3\) In July 2017, Panama Maritime Documentation Services issued the vessel with the majority of its documentation.\(^6^4\)

On 23 February 2018 the US Department of the Treasury sanctioned Liberty Shipping for its links to North Korea.\(^6^5\)


\(^{55}\) Ibid.

\(^{56}\) Ibid.

\(^{57}\) Ibid.

\(^{58}\) Ibid.


\(^{60}\) Ibid.


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).

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.

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. The listed fax number is the same as that used for the emergency contacts of the Jie Shun.

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

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAN MINTIAN</td>
<td>ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA</td>
<td>4,000</td>
</tr>
<tr>
<td>LU TIEHE</td>
<td>ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA</td>
<td>3,000</td>
</tr>
<tr>
<td>DONG CHANGQING</td>
<td>ROOM M09, CHENGDA BUILDING, RENMIN ROAD, ZHONGSHAN DISTRICT, DALIAN CITY, LIAONING PROVINCE, CHINA</td>
<td>3,000</td>
</tr>
</tbody>
</table>

Figure 6: IMO Registration for Zhang Qiao’s IMSA Organization

1. Recognized Organization

<table>
<thead>
<tr>
<th>Name:</th>
<th>International Marine Survey Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact name:</td>
<td>Zhang Qiao</td>
</tr>
<tr>
<td>Address:</td>
<td>Room 1405 Aeda Business Building #32-2 WuWu Road, Zongshan District, Dalian, China</td>
</tr>
<tr>
<td>City:</td>
<td>Dalian</td>
</tr>
<tr>
<td>Country/Territory:</td>
<td>China</td>
</tr>
<tr>
<td>Telephone:</td>
<td>0086 411 82630116</td>
</tr>
<tr>
<td>Telex:</td>
<td>0086 411 91709996</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:accl@bvocean.com">accl@bvocean.com</a></td>
</tr>
<tr>
<td>Website:</td>
<td></td>
</tr>
</tbody>
</table>


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 Zhang 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


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71. IMO Mongolia-IMSA Agreement.
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. This is significant because an investigation published by *38 North* at the time detailed Leonard Lai’s

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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

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


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.

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

![Tian Tong calling into North Korean Ports](image)

*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

<table>
<thead>
<tr>
<th>Ship Name</th>
<th>IMO</th>
<th>From</th>
<th>To</th>
<th>Company</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Ji Xing</td>
<td>9335389</td>
<td>February 2016</td>
<td>March 2017</td>
<td>Bene Star Shipping &amp; Trading</td>
<td>Registered owner</td>
</tr>
<tr>
<td>2 East Brave</td>
<td>8418227</td>
<td>February 2015</td>
<td>Broken up</td>
<td>K Brothers Marine Co Ltd</td>
<td>Registered owner</td>
</tr>
<tr>
<td>3 Sea Warrior</td>
<td>8505329</td>
<td>January 2015</td>
<td>Broken up</td>
<td>K Brothers Marine Co Ltd</td>
<td>Registered owner</td>
</tr>
<tr>
<td>4 Tian Tong</td>
<td>8712348</td>
<td>January 2016</td>
<td>December 2016</td>
<td>Baili Shipping &amp; Trading Ltd</td>
<td>ISM manager</td>
</tr>
<tr>
<td>5 Ko San</td>
<td>9110236</td>
<td>June 2014</td>
<td>January 2016</td>
<td>Sinotug Shipping Ltd</td>
<td>Registered owner</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>K Brothers Marine Co Ltd</td>
<td>Registered owner</td>
</tr>
<tr>
<td>6 Myong Sin</td>
<td>9045182</td>
<td>June 2003</td>
<td>September 2015</td>
<td>T Sisters Co Ltd</td>
<td>Registered owner</td>
</tr>
<tr>
<td>7 Galaxy 1</td>
<td>8717972</td>
<td>February 2015</td>
<td>May 2016</td>
<td>Baili Shipping &amp; Trading Ltd</td>
<td>Commercial manager</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sinotug Shipping Ltd</td>
<td>Registered owner</td>
</tr>
</tbody>
</table>

*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

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86. AIS data provided by Polestar Space Applications.
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. 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’.

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.


91. Ibid.
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