CHAPTER VI

EXAMINATION OF MARITIME FRAUDS - I:

DOCUMENTARY FRAUDS

In spite of the advantages offered by the modernisation of communication and the office procedure especially with regard to the computerisation of accountancy, the world shipping is beset with documentary frauds. The culprits usually rely on port and bank officials to accept without question forged papers or to neglect routine checks intended to save innocents from financial loss. Ships, unlike aircrafts, take weeks instead of hours to reach their destination and this 'time factor' gives the criminals ample time to cover up their tracks. The plight of the victim then becomes miserable: if he seeks justice in a Western Court of Law, the procedure is slow; and if he seeks the same in a developing country, he finds himself likely target of revenge.

There have been many cases of documentary frauds, of which two are examined elaborately below. The first involving the Greek motor-vessel, the Lord Byron in 1974, concerned a shipment of sugar from Thailand to Somalia, and the second concerned a shipment of groundnuts from Mozambique to Angola. In both these cases, the ultimate gainers were the fraudsters operating behind name-plate companies in flag of convenience countries, while the primary losers were the States who had paid for the goods which were scheduled to be carried by the ships owned by innocent persons.
A : THE LORD BYRON SAGA

This 6,549 ton motor-vessel was owned by the Valia Oceanica Aramodra S.A. of Piraeus, but was managed by the Condaras (Hellas) Ltd. S.A. In June 1974, the latter had arranged a 12-month time charter to Schellen Shipping and Chartering Company Ltd. of Rotterdam. It was this Dutch company which in good faith sub-chartered her to a concern called Consolidated Cosmopolitan Lines of Bangkok, Thailand, for a single voyage from South East Asia to East Africa.

The Lord Byron reached Bangkok on September 8 where she stood idle until September 21. Shortly before midnight, some barges came alongside loaded with 6,874 bags of sugar which the Greek ship took aboard. It was almost six the next morning before the task was finished. As it was both a Sunday and early hour, the charterer's agent, Eastern Development Corporation, told the master, Captain Nicholas Michaiopouios, that neither bill of lading nor manifest could be handed to him but that these would be forwarded to the port of discharge. There was nothing unusual about this, and after signing a mate's receipt for the 6,874 bags containing 687 tons of sugar, he sailed on instruction to Singapore to load some timber. The sugar was for Berbera, Somali Democratic Republic, and the timber for the Yemen.
Michalopoulos reached Berbera on October 10 and discharged the cargo of sugar. Then port authorities refused to allow him, his crew and his ship to leave, on the ground that they should have brought the 10,000 tons of sugar which the Somali Government had not only ordered, but also paid for. They also accused him of having off-loaded some of the sugar at another port and tried to get him to sign a confessional statement to that effect. Michalopoulos refused, pointing out that his ship with a cargo capacity of only 8,200 tons could hardly carry 2,400 tons of timber and 10,000 tons of sugar. The Somali authorities hampered the attempts by the time charterers to release the ship by preventing direct communication between them and the ship's master.

It transpired that in 1973 and 1974 East Africa was hit by a severe drought. Somalia was forced to look for alternative supplies at its own sugar crop was badly stricken. The National Agency of Commerce of the Somali Government, informed that it was in the market for 10,000 tons of sugar at the lowest possible tender. It operated through the offices of Haji M.S. Mohidin and Sons of Mombasa who in turn detailed a Kenyan with Somali origin named A.M. Hatimi to make enquiries. Hatimi was put in touch with Crescent Impex (Pte) Ltd. of 39 Guan Street, Singapore, who opened negotiations with a Chinaman named Chern Chernratanarak of Eastern Development Corporation of Bangkok, known to every
one as 'Mr. Chern'. He was a director of six other companies.

His involvement with the sugar deal dates back to May 1974 when he agreed to supply the Somalis with the 10,000 tons for 5.9 million U.S. dollars. Chern asked the purchasers to open a letter of credit for the account of another Singapore company, Australia S.E.A. Holdings (Pte) Ltd. which had been created only two weeks previously with a capital of a mere two U.S. dollars, and whose directors were Chin Coh Seng and Grace Florence May Chin. Chin was a professor of accountancy and business administration at Singapore University. Crescent Impex was later to claim that lacking experience of such a large operation as the sugar deal, they sought Chin's advice. Australia S.E.A. Holdings was his brainchild and was formed with the full approval of Crescent Impex's directors, who were the professor's wife and brother.

The new company opened an account with the Moscow Narodny Bank Ltd. of Singapore and it was this account that was named in the Somali letter of credit for the 5.9 million U.S. dollars. Among the documents presented when the money was claimed was a bill of lading headed 'C.C. Line', which stood for Consolidated Cosmopolitan Line, with We Hua Trading Company Ltd. named as the agents. We Hua was later found to be a company of which Chern was a director. The bill of lading stated that Australia S.E.A. Holdings had loaded
100,000 new jute bags containing a total of 10,000 tons of sugar aboard the MS Delwind -- not the Lord Byron -- at Koh-Si-Cheng, a small island near Bangkok, for delivery to the National Agency of Commerce, Berbera. This document was presented on June 24, 1974, and the 5.9 million U.S. dollars were collected on July 11. The Somalis later claimed that the bill, together with the certificate of origin, the chemical analysis and other documents, were all signed by Professor Chin.

In this Somali sugar case, the Delwind could be described as 'the ship that never was' although she certainly existed. She was, however, not in the vicinity of Bangkok on June 24. Owned by the Thai Company of Hongkong, she sailed from Vancouver on May 14 with a load of grain which she discharged at Osaka on May 29, went into dry dock on June 13 and was sold about this time to an Italian company who changed her name to Span Seconda. She went on to Bangkok under her new name, arriving there on August 23 and left in ballast for Vancouver the same day.

In October 1974 there were two incidents that gave the lie to the claim that the sugar had been despatched to Somalia. On the 23rd the We Hua Trading Compy telegraphed the Moscow Narodny Bank that the sugar was still in their
godowns and on the 31st P.K. Hogan of Crescent Impex signed a statement that he visited and inspected the cargo intended for the Delwind in two godowns containing 3,000 tons each and a third containing 2,000 tons; a rainstorm prevented him from inspecting the balance.

The background to the Lord Byron's involvement was an approach by Professor Chin 'on behalf of a Mr. Chern of Bangkok' to a Singapore chartering broker named Krikke of Cosmar F.E. (Pte) Ltd. This resulted in the Greek ship being chartered for the account of Consolidated Cosmopolitan Lines from Schellan of Holland. The charter party was signed by Van Ommeren of London on C.C. Line's behalf. Thus the Lord Byron found itself at Bangkok on September 8.

Sometime after this, although the date is not established, Eastern Development Corporation is alleged by the Berbera port authorities to have sent them a telegram to the effect that the merchant vessel Lord Byron had transshipped 687 tons of sugar from the Delwind at Nicobar Islands in the Indian Ocean. The port authorities also claimed to have in their possession a mate's receipt for 687 tons of sugar, with the word Bangkok cancelled and replaced with 'Nicobar Islands'.

As soon as Schellen, the Dutch time-charterers,
heard about the Lord Byron's detention, they tried to contact Captain Michalopoulos, but with communications blocked and visas refused, they were unable to gain entry. The Dutch Government, however, immediately sent a special envoy to Somalia. He was a Mr. W.Bertens who was eventually permitted to visit the Lord Byron. He reached Berbera on December 14, 1974, and started his enquiries but later said he was baffled by a telegram Michalopoulos was alleged to have sent to the Berbera port authorities on September 8, but which he denied, stating that 'SS Delwind could not reach Maldives and have now anchored near Nicobar is all cargo aboard safe but shifting of cargo into my vessel slow stop ETA Berbera reverting stop Master stop Lord Byron'.

The whole affair was discussed by Bertens upon his return to Mogadishu on December 16 with the Somali Foreign Trade Minister, Ahmed Mohamed Mohamud. The latter presented his ultimatum: his government required the sugar for which it had paid, or its current value, otherwise the Lord Byron would not be allowed to sail. On December 23, Bertens saw the legal adviser to the Somali Revolutionary Council, Addillahi Sai Osman, who told him bluntly that normal international practice was of no consequence if it conflicted with Somali interests. In other words, possession of the Lord Byron gave them a strong bargaining lever. Bertens pleaded but it was quite clear that with all the publicity the affair had received, the Somalis were not going to back down without getting something back. He left Somalia on Christmas day.
While Bertens was involved in Somalia, John Condaras, a director of the Greek managing company which had arranged the original charter to Schellen, flew to Bangkok and Singapore in an attempt to unravel the mystery. He then flew to Khartoum to see the Greek Ambassador who was also accredited to the Somali Democratic Republic. In spite of approaches to Somali diplomatic missions in Beirut, Cairo and Rome, no visas to Somalia were forthcoming for Condaras or anyone from his company.

Condaras and his staff persevered and after repeated applications, Condaras himself was able to get a visa from the Somali mission in Brussels, while A.I. Tzamtziz, the company's port captain, managed to obtain one for himself while on a visit to Jedda, Saudia Arabia, where he was trying to arrange provisions for the Lord Byron's trapped crew. The two linked up and flew into Mogadishu on January 29, 1975, where they saw the Somali Foreign Trade Minister who repeated his demands: 10,000 tons of sugar or its current price; otherwise no ship. The Lord Byron, he claimed, had participated in a swindle against his government, but he conceded that this could have happened without the ship's company being aware of it. It took considerable argument to persuade the Somali authorities to grant an entry visa for the Protection and Indemnity Club lawyer, Ian Maclachlan, who needed to collect all relevant facts. There was further hedging when
permission was sought for all three men to visit Berbera; it was argued that as the ship's crew were free to circulate and were in good health, there was no need for the two Greeks to make the trip.

Permission was ultimately granted by the Minister for Foreign Trade on the condition that all discussions with the crew would be in English, and in the presence of the police and of lawyers acting for the police and the agents. Condaras and Tzamtziz went to Berbera without waiting for Maclachlan. In spite of the Minister's claim, they found that the ship's crew were only allowed ashore during daylight and could not travel outside the town. They were suffering shortages which the supplies from Jedda only partly alleviated.

All the interviews took place in English as agreed and in the presence of police and lawyers. The master denied having been involved in any swindle at any time and pointed out that he had in fact delivered the sugar stipulated on the mate's receipt. The two men returned to Mogadishu to find that there was still no entry visa for the P & I Club lawyer. They thus found themselves involved in further arguments and pleadings. Only after still more frustrating delays did the authorities change their minds. Maclachlan received his visa on February 10, and reached Somalia the next day.
He and the two Greek shipping men met the Foreign Trade Minister and the Governor of the Commercial Bank of Somalia on the 15th.

The Governor had returned from Bangkok and Singapore where he had headed a five-man Somali investigating team. After 50 days they had achieved little beyond concluding that their country had been victimised by Chern, assisted by corrupt officials in Thailand. The Somalis then argued that as managers of the Lord Byron, the Condara organisation should exert pressure on the governments of Greece, Holland, the United Kingdom, and Singapore to assist Somalia in getting compensation. However, when it was suggested that on their part, the Somali authorities should release the ship and her crew, there was adamant refusal. The terms were outlined again: there must be either 10,000 tons of sugar delivered to Berbera or 5.9 million U.S. dollars. The Lord Byron would otherwise remain in Somali hands. Further, there could be no movement or even replacement of crew 'for the time being'.

The dejected visitors then left Somalia unable to find a solution or even a hope for the same. Meanwhile, Drew and Napier, the two P & I Club representatives, were making more progress than had the Somali investigators in Bangkok and Singapore. They discovered that the company
which issued the bill of lading, Consolidated Cosmopolitan Lines, had never really existed under that name. Nor was there proof that the 10,000 tons of sugar, supposed to be stored in three Bangkok godowns, had existed either.

According to Thai law, only two companies, Thailand Sugar Corporation and Suko, possessed standing authority to export sugar. Anyone else required a special licence and none had been issued in connection with any Somali shipment. Also, exports could only be handled by Thai shippers; foreign companies, such as the Singapore based Australia S.E.A. Holdings, were barred from doing so. The two P & I Club representatives also found that a bill of lading issued on June 24, 1974 recorded that the sugar had been loaded on the Delwind, but as we know this ship did not reach Bangkok for another 60 days -- i.e. on August 23 -- by which time she had been renamed Span Seconda and she left without taking on any cargo.

The irregularity of the entire operation was further indicated by the fact that although the sugar merchants were in Thailand, the letter of credit was opened for an account in Singapore. Drew and Napier concluded that Australia S.E.A. Holdings was created only to cash the letter of Credit and to be named as shippers. This was further reinforced by the fact that Professor Chin, the founder of the company,
signed all the documents needed to cash the letter of credit — bill of lading, certificate of origin, certificate of analysis and certificate of quantity and quality. It became clear that there was never any intention of supplying Somalia with 10,000 tons of sugar in exchange for the 5.9 million U.S. dollars, and that the Delwind was chosen as convenient name to enter on the forged documents in the belief (rightly, as it turned to be) that the Somalia would never know that this ship was in dry dock in Japan; that it was to allay Somali suspicions that the Lord Byron was chartered, loaded with a few hundred tons of sugar while a delaying 'accident' was stated in Nicobar Islands in the hope that the Somalis would believe that the rest of the sugar would finally survive. Once they had learned what was going on, the Somalis would be expected to release Lord Byron, but part of the confidence trick was to involve her — hence the forged telegram Michalopoulos was supposed to have sent to the Berbera port authorities on September 8. Whether the Somalis suspected this to be a forgery or not, was lost in the emotion of the case. The possession of the telegram gave them 'evidence' they needed to brand the Lord Byron as part of the scheme to defraud their government. They lost almost 6 million U.S. dollars, and someone was going to pay. It did not matter whether that someone was Chin or Chern, the owners or managers of the Lord Byron or an insurance company.

With so much against them, Condasas (Hellas) Ltd.
S.A. felt they had reached an impasse. However, they continued the grim battle to secure the release of the master and crew, although they knew that for the moment there was little immediate chance of getting the ship back. Tzamtzis made a further trip to Mogadishu on April 26, 1975, but a breakthrough came when he called again on May 31. The Somalis were prepared to release the crew, but not the master, who, they insisted, must remain to give evidence at a forthcoming trial. It later transpired later that he was to be a defendant. The crew left for home on June 12.

The Somalis were busy preparing their case against the Lord Byron and her master. On September 29, Tzamtzis returned to Mogadishu to review the situation, finding that Michalopoulos had been moved there from Berbera and was staying in a Hotel. After contacting a possible local defence lawyer, Robleh Mariano, Tzamtzis flew to Berbera and carried out a survey of the Lord Byron, assisted by an engineer. He returned to Athens to brief his employers and flew again to Somalia on November 23 with the P & I Club Middle East representative, Dr. Mustafa El Hefnaoui. Mariano was officially commissioned on this visit to prepare the defence and to this end was taken to Athens for discussion.

The trial opened on February 1976 before a security court at Mogadishu. John Condaras, Tzamtzis and El Hefnaoui
sat through the proceedings. The following three persons arrived but left when the trial was suddenly postponed for four days: John Perakis (legal adviser to the managing company), Pannir Selvam, a Singapore lawyer who conducted investigations in the Far East, and Mr. E. Tzaferis, the Greek Ambassador to Somalia who lived in Khartoum. They were unable to return on account of the pressure of other business.

In the case, the attorney-general claimed that the Lord Byron and her master were involved in a six million U.S. dollar fraud directed against the Somali economy, but the real crime was bigger than the one they were hearing. The charges against Michalopoulos alleged his involvement in a false telegram and his failure to deliver the bill of lading and cargo manifest. The master pleaded not guilty.

For the defence, Mariano said that there was no case to answer. He pointed out the laws which the master was supposed to have violated applied only to exports from Somalia, and that any infringement of them must be committed within the country or its territorial waters. The president said that this aspect would be considered later (however, it apparently carried no weight in the end) but that meanwhile the trial would continue. Witnesses called by the prosecution included the head of the Somali shipping agency, Berberā's port captain and some members of the
abortive investigation team sent to the Far East under the Bank governor. Only one defence witness was called and he was one of the members of the same Somali investigation team. He admitted that the person acting in a liaison capacity between the Somali Government and the shippers was a Somali with Kenyan citizenship. This evidence was unfortunately omitted from the trial transcript later produced by the Somalis. Although it was not mentioned in court, investigations made by Pannir Selvam, the Singapore lawyer, suggest that this individual received 1.5 million U.S. dollars for his part in the sugar deal.

On oath, Michalopoulos the master of Lord Byron, told the court that he acted according to instructions given by the shippers and the normal practices of the shipping business. His orders were to load cargoes in Bangkok and Singapore for Berbera and Hodeidah. The quantity of the cargo, he explained, was determined solely by the local agent who was also acting as the shipper. This particular person promised that the documents would be mailed to the port of discharge, and this was common practice, particularly where the loading had been completed on a Sunday.

The attorney-general asked that Captain Michalopoulos should be awarded a sentence of four years of prison as he had taken part in a fraudulent act against the Somali
people. The ship's owners, he insisted, should be fined three times the value of the missing sugar — a total of the colossal sum of 18 million U.S. dollars — and until the fine was paid the Lord Byron should be confined to Berbera. In default of the payment, the ship should be presented to those to whom the sugar or the payment was due.

These arguments were refuted by Mariano on the ground that no crime was committed in Somalia or its territorial waters and that the trial was in contravention of the 1958 Geneva Maritime Convention. Moreover, it was submitted that even if assuming that a crime was committed, the same was covered by a Supreme Revolutionary Council amnesty of 1975. It was also specified that the shippers alone had swindled the Somali Government by depositing the bill of lading three months before Lord Byron was chartered. The court was further reminded that it was the Moscow Narodny Bank in Singapore which had cashed the letter of credit without even checking the validity of the bill of lading or other documents. In such circumstances, it was stated that the court would have no alternative but to declare the Lord Byron's master and crew innocent. As there could be no question of a fine, the master and his ship should be released forthwith.

A date was thereafter set by the president of the court to announce the verdict and predictably, the Somali
Authorities on April 9, 1976, sentenced Captain Michalopoulos to four years imprisonment and fined Lord Byron 5.9 million U.S. dollars. The vessel was to be seized and sold by public auction on non-payment of the fine.

The master was removed to prison and served only nine months before being released on amnesty, but on his return to Athens he died in hospital from heart failure. The Lord Byron was forcibly held at Berbera until late 1979, a total of five years, before being released, by which time it was necessary to tow her home to Greece.

The action of the Somali Authorities have been criticised as devoid of any business acumen. Her responsible officials failed to investigate the financial standing of the company which cashed the letter of credit for nearly 6 million U.S. dollars. Incidentally the company was at that time created with a mere two dollars capital! Thailand had imposed a prohibition on foreign companies exporting sugar from Thailand. Yet surprisingly no responsible person questioned the transfer of the letter of credit from Bangkok to Singapore. More surprising was the failure of any interested party to investigate the background of the company issuing the bill of lading.

The lethargy of the Somali Government in arranging
the team of investigators to visit the Far East was unfortunate. By the time the team headed by the Governor of the Somali Bank was sent, five months had elapsed since the letter of credit had been cashed, as a result of which the 50 days of probing met with no success. Moreover, the investigating committee's report was never shown to the managing company.

A suspicious factor is that the court's decision was issued on a Friday (April 9, 1976) the Muslim day of rest. As the Supreme Revolutionary Council of Somalia met every Thursday, it was the general consensus that the verdict was discussed at its meeting on April 8, and that it was more political than judicial in nature. The Somalis singularly failed to produce any evidence to convict Lord Byron and her master in a normal Western court.

Most mysterious in the entire saga is the background of 'Mr. Chern' alais Chern Chernratanarak. Inquiries made by the Condaras company revealed that he was jailed on several occasions over charges relating to dishonoured cheques, while outstanding claims against him range from unpaid charter-hires to falsification of documents.

At the time of the Lord Byron incident he was in his early forties and married with a small son. Condaras
are in possession of his death certificate, claiming that he died of cancer of the pancreas on May 29, 1975, in Bangkok. However, many people who knew him stated that he always looked too fit to be suffering from such a disease. At the time of his reported 'death', police and warrants for his arrest in several cases of rice and sugar smuggling deals. Factors which compelled the Greek company to believe that he could be alive were the refusal by his lawyers to confirm his death and the quiet nature of his funeral -- lacking the normal Chinese traditional mourning ceremonies -- as well as the unconfirmed, but not rebutted reports that he had been seen in Djakarta later in the year. There is also a report by the Thai policeman, who had once arrested him, to have seen him driving in Bangkok on December 11, 1975. More damning of all is the refusal to requests to have his body exhumed.

**B: THE ANGOLAN GROUNDNUTS FRAUD INCIDENT**

This case dates from the latter part of 1976 when Angola decided to import groundnuts for its oil extracting industry. As the country had been a Portuguese colony till 1975, the government agency Central Angolana de Importacao (or Importang) contacted one Manuel Jose Pires, a 44-year old Portuguese merchant with Angolan connection and manager of Sociedade Industrial Exportadora Rimalpi Limitada (Rimalpi) of Lisbon. He agreed to supply 13,420 tons of 'dehulled ground-
nuts suitable for extraction of oil', c.i.f. Luanda and Lobito for 6,844,200 U.S. dollars, and asked for payment to be made through the Union Bank of Switzerland against shipping documents he would produce.

Importang instructed the Bank of Angola to open documentary credit with the Swiss Bank. The letter of credit was dated December 14, 1976, and valid until January 31, 1977. The bank was instructed to pay the money only on production of an invoice in quintuplicate, insurance policy covering various risks including total loss and war, certificate of origin, certificate of weight and quantity, bills of lading, clean on board papers, certificate of quality and analysis and a certificate of packing issued by an internationally recognised organisation.

Pires then persuaded the Angolan authorities to extend the credit period to February 15, then to March 5, and finally to April 15, 1977 and to change the specification of cargo to 'groundnuts without shells'. In the meantime, he contacted Doraldo Perriera Lima, owner of Lima Navigation Limited, a shipping company registered in Bermuda but operating from Hamburg. As this company did not own any ship, Lima used vessels on time charter. The documents eventually presented to the Swiss Bank bore the names of two such ships - the Pistis and the Saronicos Gulf, both Greek-owned.
The documents presented to the officials of Union Bank of Switzerland for the Pistis certified a shipment of 57,401 bags of groundnuts without shells with a gross weight of 4,420 tons loaded at Beira, Mozambique, destined for the Angolan ports of Luanda and Lobito. They carried the seal of Lima's Hamburg office and a signature purporting to be that of Lima's Beira agents. The documents for the Saronicos Gulf certified 116,885 bags of groundnuts without shells weighing 9,000 tons, also loaded at Beira for Luanda and Lobito.

After identifying the documents, the Zurich Bank officials were obliged to pay as apparently everything appeared to be in order. However, had the bankers seen that particular day's Lloyd's List, they would have found that one of the two ships was in dry dock in Khalkis, Greece and the other actually at Luanda and not just outside Beira on its way around the Cape where it was discharging a general cargo.

Lima received the money on April 18, while in Angola weeks dragged by as Importang awaited the arrival of the nuts. Meanwhile on May 4, the Pistis, by now out of dry dock, was delivered to the charterers, Lima Navigation, at Lisbon. Her master was told, it seems, that he would be loading cargo at Banjul, Senegal, but was to represent that he had taken it aboard at Beira. Although he initially refused this, he meekly accepted when threatened with the revocation of the charter.
The **Pistis**, thereafter left Banjul on June 17, with a cargo, not of groundnuts without shells but of groundnut cake, which is what is left when the oil has been extracted, and useless for the purpose the Angolans intended. The master was ordered by Lima Navigation to make for the island of Sao Tome, but when no business ensued, was instructed to call at Bonny, Nigeria, then sail to Abidjan and then back to Bonny. By this time the calendar moved to August 26. A cable from the charterers' agent instructed the master to proceed to Luanda and to open the sealed envelope he had been given in Libson and alter the name of the loading port from Beira to Banjul on the documents enclosed. He was, however, not to alter the date of loading i.e. April 17, 1977.

The **Pistis** reached Luanda on August 30. Before the master berthed, he was visited by local agents who checked that the changes to the documents have been made as instructed. He then tied up and started to discharge, but was stopped by port officials as the cargo deception had been spotted. The changes in the loading port in all the documents further aggravated the problem. Guards were posted on board and the radio room was locked. As Greece had no representative in Luanda, the Italian Ambassador acted on her behalf. Initially it looked as if the problems were over: the guards were removed, the radio room was unlocked and Lima's agents told the master to discharge the general cargo, reload the
groundnut cake and make for Sao Tome and Lisbon. However, permission to sail was withheld and finally the Pistis was secured alongside another ship at the pier, guards were reposted and the radio room locked once again.

In the meantime, the Saronicos Gulf, was sailing towards similar fate. Her captain, also a Greek, had joined her in Antwerp in the previous March when she was already on charter to Lima. Since then until the end of July, 1977, she sailed between Bremen, Leixon, Leixos, Sao Tome, Luanda and Dakar, where she remained until August 11, when instructions arrived for her to sail to Banjul where she loaded 3,000 tons of groundnut cake. Thereafter she reached Dakar on August 16, and took on another 2,885 tons of 'cake'.

The master was then presented with a bill of lading by the charterers' port captain showing Beira as the loading port. When contacted, his Greek owners warned that on no account was he to sign it. He placed this document in his safe and later on upon a closer examination found several discrepancies in the dates, shipments, weights and description of cargo. While at sea, he received instructions from Lima ordering him to cross out Beira and substitute Banjul, which he refused.

The Saronicos Gulf reached Lobito on September 20,
and began discharging cargo when port authorities instructed the master to start re-loading, and troops marched aboard the ship. As stated earlier, she should have carried 9,000 tons of groundnuts, but it was clear to the importers that the ship did not have the capacity to carry more than 6,000 tons.

The Angolans bitterly complained to Pires in Portugal, who in turn passed the responsibility to Lima. He then suggested that as the Angolans were already forcibly holding two of the latters' chartered ships, the Pistis and Saronicos Gulf, they might as well seize two other ships which were at that moment in local ports. In this way, the Kalmar and Elpis like the other two Greek-owned, were held.

Since 1977, these four ships have been held hostage in Angola. In a civil court judgement decreed in November 1978, payment of 6,844,200 U.S. dollars was demanded, being the amount originally paid for the shipment of groundnuts, not only from the real culprits Rimalpi, Lima Navigation and the respective heads of these two organisations but also from the Swiss Bank and the owners of the seized ships. A further sum of 1,865,380 U.S. dollars to cover substitute supplies and 870,938 U.S. dollars to cover legal fees was awarded by the court. Pires and Lima, the two arch-culprits are beyond the jurisdiction of the Angolan court and reach
of everyone concerned with the case. The whereabouts of Pires are unknown and Lima was last heard of in Brazil.

The Angolan government paid dearly for its inability to check the credentials of the 'supplier' blindly trusted by her. She also suffered for attempting to buy the merchandise at the lowest possible price -- a situation which is the spawning ground for maritime fraud. Her indignation at being defrauded is understandable, but her action against the innocent ships was indeed deplorable.