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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

Jacob Meldgaard
Executive Director and Chief Executive Officer
TORM A/S
Tuborg Havnevej 18
DK-2900 Hellerup
Denmark

Dear Mr. Meldgaard:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from TORM will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

¹ Reuters, “How a ‘dark fleet’ of tankers helped a Mexican cartel build a fuel-smuggling empire,” October 22, 2025, <https://www.reuters.com/investigations/how-dark-fleet-tankers-helped-mexican-cartel-build-fuel-smuggling-empire-2025-10-22/>

² FinCEN, “FinCEN Alert on Oil Smuggling Schemes on the U.S. Southwest Border Associated with Mexico-Based Cartels,” May 1, 2025, <https://www.fincen.gov/system/files/shared/FinCEN-Alert-Oil-Smuggling-FINAL-508C.pdf>

According to public reporting, the modus operandi for this form of fuel trafficking involves fuel—most commonly diesel—shipped on large tanker ships from ports in the United States bound for Mexico. Because Mexico levies a specific tax on fuel imports known as the Special Tax on Production and Services (IEPS), this fuel is falsely declared on Mexican importation forms to be another type of petrochemical such as industrial lubricating oil, which is not subject to IEPS. Upon arrival at port in Mexico, the fuel is not unloaded into large fuel tanks at ports, as is standard practice, but is instead immediately offloaded into waiting trucks, then distributed to cartel-affiliated gas stations and fuel depots around Mexico. Tens of millions of barrels of fuel are suspected to have been illegally transported to Mexico this way.³ For instance, at the neighboring ports of Altamira and Tampico in the Mexican state of Tamaulipas, the Financial Times identified 42 instances of suspicious ship-to-truck fuel transfers between 2023 and 2025, despite both ports having well-developed fuel terminal infrastructure. In March 2025, the Challenge Procyon, a large Singapore-flagged oil tanker was seized by Mexican authorities at the Port of Altamira carrying 10 million liters (63,000 barrels) of illicit diesel.

Beyond sanctions and export control compliance obligations, shipping hazardous materials such as diesel also requires strict adherence to relevant national laws and international conventions such as the International Convention for the Safety of Life at Sea (SOLAS). SOLAS and U.S. Coast Guard regulations require shippers to accurately declare all goods carried. Illicit shipments of fuel clearly do not meet these requirements.

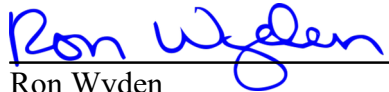
As part of my review of current due diligence requirements in the refined petroleum shipping industry and potential gaps in U.S. export information requirements, I request answers to the following questions no later than January 10, 2026.

1. Does TORM conduct supply chain due diligence to ensure its oil tankers are not utilized to transport illicit fuel? If so, please detail the steps undertaken.
 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does TORM conduct sanctions due diligence to ensure that TORM vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
3. Does TORM directly operate all TORM-owned vessels?
 - a. If so, what training does TORM provide to vessel captains and other relevant crewmembers regarding fuel smuggling?
 - b. If not, what efforts does TORM undertake to work with maritime staffing agencies to ensure all crewmembers receive appropriate training?
4. Please detail TORM's compliance efforts with U.S. and international regulations governing the shipment of hazardous materials.

³ Financial Times, "How smuggled US fuel funds Mexico's cartels," June 11, 2025, <https://ig.ft.com/mexico-fuel-theft/>

5. Have any shipments of refined petroleum carried on TORM vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and TORM's response.
6. Given the significant risks of fuel smuggling in Mexico, does TORM ask for additional documentation to help verify cargo when transporting refined petroleum or related goods between the U.S. and Mexico?
7. Has TORM served as the carrier for any shipments of refined petroleum products between the U.S. and Mexico since January 1, 2023?
 - a. If so, please provide copies of any relevant documentation for the shipments of refined petroleum products including industrial lubricant. These documents could include, but are not limited to, bills of lading, vessel information, cargo manifests, and contracts or invoices.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance

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GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

Kenneth Hvid
President and Chief Executive Officer
Teekay Corporation
2nd Floor, Swan Building, 26 Victoria Street
Hamilton HM 12
Bermuda

Dear Mr. Hvid:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from Teekay will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

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According to public reporting, the modus operandi for this form of fuel trafficking involves fuel—most commonly diesel—shipped on large tanker ships from ports in the United States bound for Mexico. Because Mexico levies a specific tax on fuel imports known as the Special Tax on Production and Services (IEPS), this fuel is falsely declared on Mexican importation forms to be another type of petrochemical such as industrial lubricating oil, which is not subject to IEPS. Upon arrival at port in Mexico, the fuel is not unloaded into large fuel tanks at ports, as is standard practice, but is instead immediately offloaded into waiting trucks, then distributed to cartel-affiliated gas stations and fuel depots around Mexico. Tens of millions of barrels of fuel are suspected to have been illegally transported to Mexico this way.³ For instance, at the neighboring ports of Altamira and Tampico in the Mexican state of Tamaulipas, the Financial Times identified 42 instances of suspicious ship-to-truck fuel transfers between 2023 and 2025, despite both ports having well-developed fuel terminal infrastructure. In March 2025, the Challenge Procyon, a large Singapore-flagged oil tanker was seized by Mexican authorities at the Port of Altamira carrying 10 million liters (63,000 barrels) of illicit diesel.

Beyond sanctions and export control compliance obligations, shipping hazardous materials such as diesel also requires strict adherence to relevant national laws and international conventions such as the International Convention for the Safety of Life at Sea (SOLAS). SOLAS and U.S. Coast Guard regulations require shippers to accurately declare all goods carried. Illicit shipments of fuel clearly do not meet these requirements.

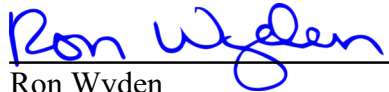
As part of my review of current due diligence requirements in the refined petroleum shipping industry and potential gaps in U.S. export information requirements, I request answers to the following questions no later than January 10, 2026.

1. Does Teekay conduct supply chain due diligence to ensure its oil tankers are not utilized to transport illicit fuel? If so, please detail the steps undertaken.
 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does Teekay conduct sanctions due diligence to ensure that Teekay vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
3. Does Teekay directly operate all Teekay-owned vessels?
 - a. If so, what training does Teekay provide to vessel captains and other relevant crewmembers regarding fuel smuggling?
 - b. If not, what efforts does Teekay undertake to work with maritime staffing agencies to ensure all crewmembers receive appropriate training?
4. Please detail Teekay's compliance efforts with U.S. and international regulations governing the shipment of hazardous materials.

³ Financial Times, "How smuggled US fuel funds Mexico's cartels," June 11, 2025, <https://ig.ft.com/mexico-fuel-theft/>

5. Have any shipments of refined petroleum carried on Teekay vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and Teekay's response.
6. Given the significant risks of fuel smuggling in Mexico, does Teekay ask for additional documentation to help verify cargo when transporting refined petroleum or related goods between the U.S. and Mexico?
7. Has Teekay served as the carrier for any shipments of refined petroleum products between the U.S. and Mexico since January 1, 2023?
 - a. If so, please provide copies of any relevant documentation for the shipments of refined petroleum products including industrial lubricant. These documents could include, but are not limited to, bills of lading, vessel information, cargo manifests, and contracts or invoices.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance

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GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

Emanuele A. Lauro
Chief Executive Officer
Scorpio Tankers, Inc.
99, Boulevard du Jardin Exotique
Monaco, 98000

Dear Mr. Lauro:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from Scorpio Tankers will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

According to public reporting, the modus operandi for this form of fuel trafficking involves fuel—most commonly diesel—shipped on large tanker ships from ports in the United States bound

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for Mexico. Because Mexico levies a specific tax on fuel imports known as the Special Tax on Production and Services (IEPS), this fuel is falsely declared on Mexican importation forms to be another type of petrochemical such as industrial lubricating oil, which is not subject to IEPS. Upon arrival at port in Mexico, the fuel is not unloaded into large fuel tanks at ports, as is standard practice, but is instead immediately offloaded into waiting trucks, then distributed to cartel-affiliated gas stations and fuel depots around Mexico. Tens of millions of barrels of fuel are suspected to have been illegally transported to Mexico this way.³ For instance, at the neighboring ports of Altamira and Tampico in the Mexican state of Tamaulipas, the Financial Times identified 42 instances of suspicious ship-to-truck fuel transfers between 2023 and 2025, despite both ports having well-developed fuel terminal infrastructure. In March 2025, the Challenge Procyon, a large Singapore-flagged oil tanker was seized by Mexican authorities at the Port of Altamira carrying 10 million liters (63,000 barrels) of illicit diesel.

Beyond sanctions and export control compliance obligations, shipping hazardous materials such as diesel also requires strict adherence to relevant national laws and international conventions such as the International Convention for the Safety of Life at Sea (SOLAS). SOLAS and U.S. Coast Guard regulations require shippers to accurately declare all goods carried. Illicit shipments of fuel clearly do not meet these requirements.

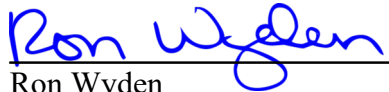
As part of my review of current due diligence requirements in the refined petroleum shipping industry and potential gaps in U.S. export information requirements, I request answers to the following questions no later than January 10, 2026.

1. Does Scorpio Tankers conduct supply chain due diligence to ensure its oil tankers are not utilized to transport illicit fuel? If so, please detail the steps undertaken.
 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does Scorpio Tankers conduct sanctions due diligence to ensure that Scorpio Tankers vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
3. Does Scorpio Tankers directly operate all Scorpio Tankers-owned vessels?
 - a. If so, what training does Scorpio Tankers provide to vessel captains and other relevant crewmembers regarding fuel smuggling?
 - b. If not, what efforts does Scorpio Tankers undertake to work with maritime staffing agencies to ensure all crewmembers receive appropriate training?
4. Please detail Scorpio Tankers' compliance efforts with U.S. and international regulations governing the shipment of hazardous materials.

³ Financial Times, "How smuggled US fuel funds Mexico's cartels," June 11, 2025, <https://ig.ft.com/mexico-fuel-theft/>

5. Have any shipments of refined petroleum carried on Scorpio Tankers vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and Scorpio Tankers' response.
6. Given the significant risks of fuel smuggling in Mexico, does Scorpio Tankers ask for additional documentation to help verify cargo when transporting refined petroleum or related goods between the U.S. and Mexico?
7. Has Scorpio Tankers served as the carrier for any shipments of refined petroleum products between the U.S. and Mexico since January 1, 2023?
 - a. If so, please provide copies of any relevant documentation for the shipments of refined petroleum products including industrial lubricant. These documents could include, but are not limited to, bills of lading, vessel information, cargo manifests, and contracts or invoices.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
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GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

Jan Rindbo
Chief Executive Officer
Dampskibsselskabet NORDEN A/S
52, Strandvejen
DK-2900 Copenhagen
Denmark

Dear Mr. Rindbo:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from NORDEN will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

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Beyond sanctions and export control compliance obligations, shipping hazardous materials such as diesel also requires strict adherence to relevant national laws and international conventions such as the International Convention for the Safety of Life at Sea (SOLAS). SOLAS and U.S. Coast Guard regulations require shippers to accurately declare all goods carried. Illicit shipments of fuel clearly do not meet these requirements.

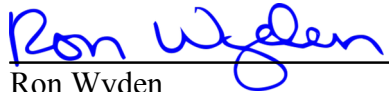
As part of my review of current due diligence requirements in the refined petroleum shipping industry and potential gaps in U.S. export information requirements, I request answers to the following questions no later than January 10, 2026.

1. Does NORDEN conduct supply chain due diligence to ensure its oil tankers are not utilized to transport illicit fuel? If so, please detail the steps undertaken.
 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does NORDEN conduct sanctions due diligence to ensure that NORDEN vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
3. Does NORDEN directly operate all NORDEN-owned vessels?
 - a. If so, what training does NORDEN provide to vessel captains and other relevant crewmembers regarding fuel smuggling?
 - b. If not, what efforts does NORDEN undertake to work with maritime staffing agencies to ensure all crewmembers receive appropriate training?
4. Please detail NORDEN's compliance efforts with U.S. and international regulations governing the shipment of hazardous materials.

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5. Have any shipments of refined petroleum carried on NORDEN vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and NORDEN's response.
6. Given the significant risks of fuel smuggling in Mexico, does NORDEN ask for additional documentation to help verify cargo when transporting refined petroleum or related goods between the U.S. and Mexico?
7. Has NORDEN served as the carrier for any shipments of refined petroleum products between the U.S. and Mexico since January 1, 2023?
 - a. If so, please provide copies of any relevant documentation for the shipments of refined petroleum products including industrial lubricant. These documents could include, but are not limited to, bills of lading, vessel information, cargo manifests, and contracts or invoices.

Sincerely,



Ron Wyden
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GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

Lois K. Zabrocky
President and Chief Executive Officer
International Seaways, Inc.
600 Third Avenue, 39th Floor
New York, NY 10016

Dear Ms. Zabrocky:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from International Seaways will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

According to public reporting, the modus operandi for this form of fuel trafficking involves fuel—most commonly diesel—shipped on large tanker ships from ports in the United States bound

¹ Reuters, “How a ‘dark fleet’ of tankers helped a Mexican cartel build a fuel-smuggling empire,” October 22, 2025, <https://www.reuters.com/investigations/how-dark-fleet-tankers-helped-mexican-cartel-build-fuel-smuggling-empire-2025-10-22/>

² FinCEN, “FinCEN Alert on Oil Smuggling Schemes on the U.S. Southwest Border Associated with Mexico-Based Cartels,” May 1, 2025, <https://www.fincen.gov/system/files/shared/FinCEN-Alert-Oil-Smuggling-FINAL-508C.pdf>

for Mexico. Because Mexico levies a specific tax on fuel imports known as the Special Tax on Production and Services (IEPS), this fuel is falsely declared on Mexican importation forms to be another type of petrochemical such as industrial lubricating oil, which is not subject to IEPS. Upon arrival at port in Mexico, the fuel is not unloaded into large fuel tanks at ports, as is standard practice, but is instead immediately offloaded into waiting trucks, then distributed to cartel-affiliated gas stations and fuel depots around Mexico. Tens of millions of barrels of fuel are suspected to have been illegally transported to Mexico this way.³ For instance, at the neighboring ports of Altamira and Tampico in the Mexican state of Tamaulipas, the Financial Times identified 42 instances of suspicious ship-to-truck fuel transfers between 2023 and 2025, despite both ports having well-developed fuel terminal infrastructure. In March 2025, the Challenge Procyon, a large Singapore-flagged oil tanker was seized by Mexican authorities at the Port of Altamira carrying 10 million liters (63,000 barrels) of illicit diesel.

Beyond sanctions and export control compliance obligations, shipping hazardous materials such as diesel also requires strict adherence to relevant national laws and international conventions such as the International Convention for the Safety of Life at Sea (SOLAS). SOLAS and U.S. Coast Guard regulations require shippers to accurately declare all goods carried. Illicit shipments of fuel clearly do not meet these requirements.

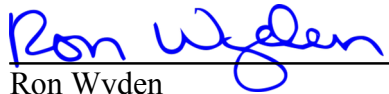
As part of my review of current due diligence requirements in the refined petroleum shipping industry and potential gaps in U.S. export information requirements, I request answers to the following questions no later than January 10, 2026.

1. Does International Seaways conduct supply chain due diligence to ensure its oil tankers are not utilized to transport illicit fuel? If so, please detail the steps undertaken.
 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does International Seaways conduct sanctions due diligence to ensure that International Seaways vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
3. Does International Seaways directly operate all International Seaways-owned vessels?
 - a. If so, what training does International Seaways provide to vessel captains and other relevant crewmembers regarding fuel smuggling?
 - b. If not, what efforts does International Seaways undertake to work with maritime staffing agencies to ensure all crewmembers receive appropriate training?
4. Please detail International Seaways' compliance efforts with U.S. and international regulations governing the shipment of hazardous materials.

³ Financial Times, "How smuggled US fuel funds Mexico's cartels," June 11, 2025, <https://ig.ft.com/mexico-fuel-theft/>

5. Have any shipments of refined petroleum carried on International Seaways vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and International Seaways' response.
6. Given the significant risks of fuel smuggling in Mexico, does International Seaways ask for additional documentation to help verify cargo when transporting refined petroleum or related goods between the U.S. and Mexico?
7. Has International Seaways served as the carrier for any shipments of refined petroleum products between the U.S. and Mexico since January 1, 2023?
 - a. If so, please provide copies of any relevant documentation for the shipments of refined petroleum products including industrial lubricant. These documents could include, but are not limited to, bills of lading, vessel information, cargo manifests, and contracts or invoices.

Sincerely,



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance

MIKE CRAPO, IDAHO, CHAIRMAN

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PETER WELCH, VERMONT

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

John Fredriksen
Director
Frontline PLC
8 John Kennedy Street, Iris Building, 7th floor, Flat/Office 740B
3106, Limassol
Cyprus

Dear Mr. Fredriksen:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from Frontline will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

¹ Reuters, “How a ‘dark fleet’ of tankers helped a Mexican cartel build a fuel-smuggling empire,” October 22, 2025, <https://www.reuters.com/investigations/how-dark-fleet-tankers-helped-mexican-cartel-build-fuel-smuggling-empire-2025-10-22/>

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According to public reporting, the modus operandi for this form of fuel trafficking involves fuel—most commonly diesel—shipped on large tanker ships from ports in the United States bound for Mexico. Because Mexico levies a specific tax on fuel imports known as the Special Tax on Production and Services (IEPS), this fuel is falsely declared on Mexican importation forms to be another type of petrochemical such as industrial lubricating oil, which is not subject to IEPS. Upon arrival at port in Mexico, the fuel is not unloaded into large fuel tanks at ports, as is standard practice, but is instead immediately offloaded into waiting trucks, then distributed to cartel-affiliated gas stations and fuel depots around Mexico. Tens of millions of barrels of fuel are suspected to have been illegally transported to Mexico this way.³ For instance, at the neighboring ports of Altamira and Tampico in the Mexican state of Tamaulipas, the Financial Times identified 42 instances of suspicious ship-to-truck fuel transfers between 2023 and 2025, despite both ports having well-developed fuel terminal infrastructure. In March 2025, the Challenge Procyon, a large Singapore-flagged oil tanker was seized by Mexican authorities at the Port of Altamira carrying 10 million liters (63,000 barrels) of illicit diesel.

Beyond sanctions and export control compliance obligations, shipping hazardous materials such as diesel also requires strict adherence to relevant national laws and international conventions such as the International Convention for the Safety of Life at Sea (SOLAS). SOLAS and U.S. Coast Guard regulations require shippers to accurately declare all goods carried. Illicit shipments of fuel clearly do not meet these requirements.

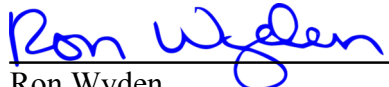
As part of my review of current due diligence requirements in the refined petroleum shipping industry and potential gaps in U.S. export information requirements, I request answers to the following questions no later than January 10, 2026.

1. Does Frontline conduct supply chain due diligence to ensure its oil tankers are not utilized to transport illicit fuel? If so, please detail the steps undertaken.
 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does Frontline conduct sanctions due diligence to ensure that Frontline vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
3. Does Frontline directly operate all Frontline-owned vessels?
 - a. If so, what training does Frontline provide to vessel captains and other relevant crewmembers regarding fuel smuggling?
 - b. If not, what efforts does Frontline undertake to work with maritime staffing agencies to ensure all crewmembers receive appropriate training?
4. Please detail Frontline’s compliance efforts with U.S. and international regulations governing the shipment of hazardous materials.

³ Financial Times, “How smuggled US fuel funds Mexico’s cartels,” June 11, 2025, <https://ig.ft.com/mexico-fuel-theft/>

5. Have any shipments of refined petroleum carried on Frontline vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and Frontline's response.
6. Given the significant risks of fuel smuggling in Mexico, does Frontline ask for additional documentation to help verify cargo when transporting refined petroleum or related goods between the U.S. and Mexico?
7. Has Frontline served as the carrier for any shipments of refined petroleum products between the U.S. and Mexico since January 1, 2023?
 - a. If so, please provide copies of any relevant documentation for the shipments of refined petroleum products including industrial lubricant. These documents could include, but are not limited to, bills of lading, vessel information, cargo manifests, and contracts or invoices.

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Ron Wyden
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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

GREGG RICHARD, STAFF DIRECTOR
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

December 19, 2025

Alexander Saverys
Chief Executive Officer
CMB.TECH
De Gerlachekaai 20
2000 Antwerp
Belgium

Dear Mr. Saverys:

I write concerning recent reports that dozens of oil tankers owned by major international shipping companies have been used to transport illicit fuel in service of transnational fuel trafficking networks between the United States and Mexico. Also known as huachicol fiscal, transnational fuel theft is a multi-billion dollar industry and is a significant source of funding for cartel operations in Mexico. The information I request from CMB.TECH will aid my investigation to better prevent trade-based money laundering and fuel smuggling that enriches cartels and other transnational criminal organizations.

Recent reporting indicates that networks of American and Mexican companies are involved in the illicit trafficking of millions of gallons of fuel between the United States and Mexico, which generates billions of dollars in profits for Mexican cartels and criminal organizations. The scope of these illicit fuel smuggling operations is staggering. According to a recent Reuters report, “bootleg imports now account for as much as one third of Mexico’s diesel and gasoline market”¹ and are now estimated to be cartels’ largest source of non-drug revenue.² Cracking down on this illicit industry is critical to blunt cartels’ ability to manufacture and distribute fentanyl, cocaine, and other deadly drugs in the United States, and the international shipping industry must play its part to end this lawless practice.

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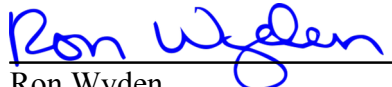
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 - a. Please detail any know your customer (KYC) standards to verify customer identities that are in place.
2. Does CMB.TECH conduct sanctions due diligence to ensure that CMB.TECH vessels are not inadvertently operated in furtherance of entities sanctioned by the Department of the Treasury Office of Foreign Assets Control (OFAC)? If so, please detail the specific sanctions screening efforts undertaken.
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5. Have any shipments of refined petroleum carried on CMB.TECH vessels been subject to any enforcement action, including detention, seizure, or penalties, by U.S. or Mexican customs authorities?
 - a. If so, please describe each enforcement action and CMB.TECH's response.
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