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## **Raw Plastic from Italy to Iran**

High Density Polyethylene is a plastic raw material which is moved in the form of 50kg bags of hard white balls about the size of peas. An order was received from five importers into Iran who, together, wanted 720 tonnes of this material. The order was placed with a small company in Switzerland called Unicom.

Unicom was operated by an Armenian and he was a specialist in plastics in that he had detailed knowledge of manufacturers, buyers and the plastics industry. He was a 'middle-man'. Payment was to be by Letter of Credit which means that the buyer does not actually pay money through his bank until the cargo is certified as being on the ship. The ship was loaded in Genoa and then went to Barcelona for more cargo and then to Mersin in Turkey where the cargo was due to be unloaded to continue overland to Iran. The ship was a small Russian vessel and the 720 tonnes of HDPE almost completely filled the ship. When the cargo was unloaded in Mersin, some of the bags were split open and it was found that the contents were not HDPE valued at \$1000 but plastic scrap with a value of about 1% of that figure.

An investigation was undertaken on behalf of a cargo inspection company based in Switzerland. The investigation was simple in principle but involved much detail. The first step was critical. The ship was traced because the Russians still operate the old Soviet practice of taking photographs of all cargo as it is loaded. These photographs showed that it was, in fact, the bags of grey scrap which had been loaded in Genoa, not the new white HDPE.

The 720 tonnes which had been ordered was traced from the four points of manufacture in Italy through to Genoa. But it was found from enquires of the road transport company that it was not taken into Genoa Port but to a railway warehouse about two miles from Genoa Port. It remained there until one day after the ship sailed when it was then taken from the railway warehouse by another transport company who said they delivered it to a warehouse complex in Parma - inland Italy. Enquiries were made at Parma and the warehouse manager was most uncooperative and denied all knowledge.

Enquiries were made concerning the cargo which had, without any doubt, been loaded on to the ship. It was found that this had been collected from a recycling depot in Italy and taken to Genoa Port where the documents referred to it as being the genuine HDPE. There had been a 'cargo switch' of 720 tonnes but the questions were Who? and Why?

Enquiries showed that both operations - the movement of the real material from the four points in Italy through to the railway warehouse and on to Parma; and the collection of the scrap from the recycling depot and on to Genoa Port had been organized and paid for by the same person - the manager of a freight agency called Zinolli e Pinolli in Genoa. This agency was the one supposedly working for Unicom.

It was difficult to understand the reason for such a complicated theft or fraud and so it was decided to question the manager. This was done very carefully and eventually we found that the crime was not really a theft at all. There was a conspiracy between four of the five importers into Iran and Unicom to overcome Exchange Control Regulations in Iran. If the deception had been successful, the four parties in Iran would have eventually received the real HDPE they ordered, paid for by the insurance companies and they would also have managed to get \$720,000 out of Iran.

The reason for the delivery of the proper cargo to the railway warehouse at Genoa and keeping it there until after the ship had sailed was explained as being a possible excuse should the cargo have been examined before loading at Genoa. It could then have been suggested that there had been a mistake and the cargoes had been delivered to the wrong place.