

# CORD

## Crude Intentions: How China Became the Clearing Market for Sanctioned Oil

Item Type	House Staff Report
Download date	2026-06-10 22:19:51
Link to Item	<a href="https://hdl.handle.net/20.500.14300/3643">https://hdl.handle.net/20.500.14300/3643</a>

# Crude Intentions

How China Became the Clearing Market  
for Sanctioned Oil

---

**THE SELECT COMMITTEE ON THE  
STRATEGIC COMPETITION  
BETWEEN  
THE UNITED STATES AND  
THE CHINESE COMMUNIST  
PARTY**

---



## EXECUTIVE SUMMARY

Every war has a balance sheet. Dictators do not survive on ideology alone; they need a revenue stream. For the world's most dangerous regimes, that stream is petroleum. Russian crude pays for the missiles that turn Ukrainian apartment blocks into mass graves. Iranian oil funds the drones hunting American troops and a radical regime sprinting toward a nuclear bomb. Venezuelan barrels kept narcoterrorist Nicolás Maduro's goon squads armed, his torture chambers lit, and his political prisoners locked away.

The United States and its allies recognized this vulnerability and moved to exploit it, layering sanctions on tankers, insurers, banks, and refiners to render each barrel of sanctioned crude prohibitively expensive and commercially untouchable. The strategy aimed to make this oil unfinanceable and force these regimes into fiscal decline without the need for invasions or blockades. Yet the revenue continues to flow, and the tankers continue to arrive, because at the far end of nearly every sanctioned barrel stands the same buyer: China.

Given the changing geopolitical dynamic with the ongoing conflict with Iran, the value of China's shadow fleet has greatly diminished and its ability to purchase sanctioned oil at a massive discount appears to be no longer viable. This House Select Committee on China investigation largely examined oil flow patterns prior to the commencement of Operation Epic Fury on February 28, 2026, but it holds enduring and important lessons for how the United States and our allies should deal with sanctioned oil and sanctioned oil vessels. Given the extensive sanctioned oil infrastructure that China built over the past few years, it is unlikely that Beijing will stop looking for discounted sanctioned oil.

Despite U.S. sanctions on Russian, Iranian, and Venezuelan crude, sanctioned barrels accounted for one-fifth of China's total oil imports. The Select Committee undertook this investigation to determine how this trade persisted at scale and what strategic advantages China derived from it. The principal findings are as follows:

- **Finding 1:** Seized shadow fleet tankers delivered 69.3 million barrels of sanctioned crude to China, valued at nearly \$4 billion, before U.S. interdiction.

- **Finding 2:** Nearly two-thirds of all crude delivered by seized vessels were discharged at terminals in Shandong Province.
- **Finding 3:** China exploited Western sanctions to become the buyer of last resort for discounted crude.
- **Finding 4:** Beijing has built a layered evasion architecture that protects sanctioned oil trade at the two points where Western enforcement is designed to bite hardest: the origin of the cargo and the settlement of value.
- **Finding 5:** Municipal-level Chinese government documents reveal central coordination of alternative settlement policy.
- **Finding 6:** China built the shadow fleet's command-and-control system.
- **Finding 7:** Shadow fleet vessels create a cyber enforcement gap.
- **Finding 8:** Shadow fleet vessels carry Chinese and Russian military and intelligence personnel among their crews.

From this sanctioned crude, China assembled a massive strategic petroleum reserve—roughly 1.2 billion barrels by early 2026, equal to approximately 109 days of seaborne import cover—at well below market cost from the very barrels Western sanctions were designed to strand. The findings and recommendations that follow address the central policy question: will the United States dismantle this system or allow Beijing to rebuild it before the next crisis?

## PART I: THE STRATEGIC LANDSCAPE

Since antiquity, states have stockpiled the commodities needed to wage and survive protracted wars.<sup>1</sup> With the rise of mechanized warfare in the 20th century, oil became one of them. Britain began building reserves after the Royal Navy converted from coal to oil in 1913,<sup>2</sup> and by the 1930s planners were storing fuel for the war they believed inevitable.<sup>3</sup> France followed with national reserve requirements during the interwar years to ensure energy independence in crisis. In 1947, a U.S. Senate special committee declared that “oil is the *sine qua non* of military victory,” warning that no nation lacking a secure supply of liquid fuel could maintain global leadership.<sup>4</sup> The 1973 Arab oil embargo drove the lesson home, prompting the United States, Western Europe, and Japan to establish coordinated emergency reserves through the International Energy Agency (IEA) and leading Washington to create the Strategic Petroleum Reserve (SPR).<sup>5</sup>

Authoritarian regimes are no exception: their survival is financed by—and their states run on—oil. That dependence manifests differently across authoritarian systems. For oil-rich regimes such as Russia, Iran, and Venezuela, it takes the form of exporting petroleum. Without petroleum revenue, their governments cannot wage wars, sponsor terrorism, or sustain the security apparatus that keeps them in power. In 2024, energy exports generated roughly \$120.5 billion for Russia, accounting for 30 percent of its revenue.<sup>6</sup> Iran’s oil income is projected at \$50.56 billion in 2025, nearly 35 percent of its national budget.<sup>7</sup> Venezuela remained similarly dependent on crude as its primary source of hard currency.<sup>8</sup>

For import-dependent states, such as China, the strategic imperative is the mirror image: securing reliable access to oil and controlling the markets through which it flows. Once a net exporter, China became a net importer in 1993 as industrialization outpaced domestic production and now relies on foreign suppliers for roughly 70 percent of its oil. Much of that supply travels by sea along routes where U.S. and allied naval forces could exert leverage in a crisis—a vulnerability Russia’s invasion of Ukraine underscored and one Beijing fears could be exposed in a Taiwan contingency.<sup>i</sup>

That vulnerability is why Chinese leaders have declared energy security “an urgent requirement in great-power competition.”<sup>9</sup> Oil occupies a distinct place in that calculus. As one Chinese energy technocrat put it, electricity supply problems “can be solved by ourselves,” but “if our oil imports are cut off, it affects the whole nation.”<sup>10</sup> Xi Jinping’s directives to prepare for “the worst-case scenarios” and to keep China’s “energy rice bowl” firmly in its own hands have given that concern operational urgency.<sup>11</sup> Since construction began in 2004, China has built a layered reserve system that now holds roughly 1.2 billion barrels of crude—a record high equivalent to approximately 109 days of seaborne import cover—designed to strengthen its ability to “weather an oil blockade.”<sup>12</sup>

The United States and its allies have long sought to use oil dependence as a pressure point against adversarial regimes. Sanctions targeting the energy sectors of Russia, Iran, and Venezuela were designed

---

<sup>i</sup> Between 2013 and 2026, Xi Jinping referenced “energy security [能源安全]” in more than 200 speeches, meetings, and official activities, with mentions rising sharply after Russia’s invasion of Ukraine, see Xi Jinping Important Speeches Database [习近平系列重要讲话数据库], <https://perma.cc/TJ7Y-AZD7>.

to constrain the revenue these governments derive from hydrocarbons while weakening the long-term capacity of their oil industries. In the cases of Iran and Venezuela, U.S. policy explicitly aimed to curtail exports by restricting access to Western finance, technology, shipping, and trading networks—measures intended both to reduce immediate revenue and to degrade the sector over time.<sup>13</sup>

The approach toward Russia evolved after the 2022 invasion of Ukraine. Because Russia is one of the world’s largest oil producers, a full embargo by major consuming states risked triggering a global supply shock.<sup>14</sup> Instead, the United States and its partners sought to keep Russian oil flowing while limiting the price Moscow could obtain. Restrictions on shipping, insurance, and financial services were used to enforce a price cap, forcing exporters to sell at a discount and shifting the commercial and legal risks of the trade onto buyers willing to participate.<sup>15</sup>

The result was not the disappearance of sanctioned exports but their concentration in a single market. As sanctions tightened and Western firms withdrew, crude from Russia, Iran, and Venezuela increasingly flowed to the largest economy willing to absorb the legal, financial, and reputational risks of the trade: China. According to Kpler’s seaborne tracking for 2025, China imported 1.4 million barrels per day of Russian crude, along with 852,000 from Iran and 419,000 from Venezuela.<sup>ii</sup> Together, these 2.6 million barrels per day of sanctioned seaborne crude account for about one quarter of China’s seaborne oil imports. Beyond crude, the network is expanding into liquefied natural gas (LNG), with Russian LNG shipments now arriving at China’s Beihai terminal through the same sanctions-circumventing supply chains.<sup>16</sup>

Beijing gains two things from this arrangement: discounts and dependency. The discounts—worth an estimated \$12 to \$15 billion in 2024 alone—flow directly onto the balance sheets of Chinese refiners. The dependency flows in the other direction. A government that relies on a single buyer for the majority of its export revenue cannot easily refuse that buyer’s preferences on pricing, contracts, infrastructure, or political alignment. Rather than starving these regimes of revenue, Western sanctions have concentrated their oil—at a discount—in the hands of Washington’s principal strategic competitor.

---

<sup>ii</sup> Under the G7 and European Union price cap framework, Russian seaborne crude is not categorically prohibited provided it is sold and documented at or below the cap price using compliant maritime and financial services. Accordingly, references to “sanctioned” volumes reflect origin-based tracking for analytical purposes rather than a single, uniform legal designation.

## PART II: THE ARCHITECTURE OF EVASION

China's sanctions-evasion system operates through three reinforcing pillars: a maritime logistics network that physically moves sanctioned hydrocarbons, a favorable purchasing position that extracts economic value from isolated sellers, and a financial settlement architecture that processes transactions outside Western oversight. Each pillar strengthens the others, and the integrated system grows more entrenched as enforcement pressure intensifies.

### Pillar 1—The Shadow Fleet

The first pillar is physical. Moving sanctioned oil at scale has required the emergence of a parallel maritime network often described as a "shadow fleet." Comprised largely of aging tankers operating through opaque ownership structures, flags of convenience, and non-Western insurance, this fleet allows sanctioned exporters to continue shipping crude while circumventing many of the compliance requirements that govern Western maritime services. Practices such as Automatic Identification System (AIS) manipulation, ship-to-ship (STS) transfers, and cargo relabeling help obscure the origin of the oil as it moves through global markets.

For purposes of this report, the "shadow fleet" serves as the umbrella term for all vessels engaged in deceptive operations to circumvent sanctions or oversight.<sup>17</sup> As of March 2026, Kpler, a commodity data and analytics firm that tracks global vessel movements, cargo flows, and trade patterns using satellite imagery, AIS signals, and machine learning, tracks 2,291 such tankers comprising roughly 16.8 percent of active commercial wet cargo vessels above 5,000 gross tonnage.<sup>18</sup> Approximately 45 percent are formally sanctioned.<sup>19</sup> Within that universe, vessels can be further classified by evasion method: approximately 1,089 comprise the "gray fleet," maintaining active transponders while obscuring ownership through opaque offshore structures and frequent flag changes, while 1,202 comprise the "dark fleet," defeating detection outright by disabling transponders, spoofing navigation data, flying fraudulent flags, and conducting covert ship-to-ship transfers.<sup>20</sup>

China is among the shadow fleet's largest customers and principal beneficiaries. In 2025, shadow and sanctioned tankers moved three

categories of cargo: 10.3 million barrels per day of crude oil, of which China received 33.3 percent; 2.2 million barrels per day of heavy refined products such as fuel oil and crude residuals, of which China received 10.3 percent; and chemical and biological cargo, of which China received 45.8 percent.<sup>21</sup> Those flows give China a clear economic stake in the shadow fleet’s continued operation, even if that support is indirect rather than openly state-directed.

That incentive helps explain why China’s connection to the shadow fleet appears to extend beyond demand alone, with China-based ownership networks directly tied to its operation. This is especially evident in the Protean Fleet, a network of 56 supertankers that accounts for an estimated 4.6 percent of the global dark fleet.<sup>22</sup> First identified by the Center for Advanced Defense Studies, the fleet is controlled by a single China-based ownership group through 117 shell companies and 74 proxy directors.<sup>23</sup> Between July 2019 and 2024, those vessels shipped more than 400 million barrels of sanctioned crude to China and India while serving as collateral for over \$750 million in mortgages from British Virgin Islands-registered entities.<sup>24</sup>

The scale of that network became measurable when U.S. forces interdicted nine shadow fleet tankers across the Caribbean, Atlantic, Gulf of America, and the Indian Ocean between December 2025 and February 2026. The seizures exposed how key segments of the platform are owned and managed, and how those vessels are protected through layered corporate structures and repeated evasive conduct.

**Finding 1: Seized shadow fleet tankers delivered 69.3 million barrels of sanctioned crude to China, valued at nearly \$4 billion, before U.S. interdiction.**

Of the nine seized vessels, seven were operated or owned by entities registered in Hong Kong, mainland China, or Russia. Russian flagged firms control three, while Chinese or Hong Kong entities account for four. Only the Skipper stands apart, managed by a Nigerian firm with a Marshall Islands registered owner. More than half of the vessels belong to the Protean Fleet.

**Vessels Seized by U.S. Authorities**

<i>Seized</i>	<i>Name</i>	<i>Flag</i>	<i>ISM Manager</i>	<i>Manager</i>	<i>Owner</i>
Dec. 10, 2025	SKIPPER† 9304667	Guyanat	🇺🇸 Thomarose Global	🇺🇸 Thomarose Global	🇺🇸 Triton Navigation

Dec. 20, 2025	<b>CENTURIES</b> 9206310	Panama	Vectis Maritime	Centuries Shipping	Centuries Shipping
Jan. 7, 2026	<b>BELLA 1*†</b> 9230880	None	Burevestmarin	Burevestmarin	Burevestmarin
Jan. 7, 2026	<b>M SOPHIA†</b> 9289477	None	Greettee	Greettee	Maisie
Jan. 9, 2026	<b>OLINA*†</b> 9282479	Timor Leste†	-	Tantye Peur	Tantye Peur
Jan. 15, 2026	<b>VERONICA†</b> 9256860	Russia	Mg-Flot	Mg-Flot	Mg-Flot
Jan. 20, 2026	<b>SAGITTA*†</b> 9296822	Panama†	Camellia Jackson	Camellia Jackson	Camellia Jackson
Feb. 9, 2026	<b>AQUILA II*†</b> 9281152	Panama†	Occee	Linnet Marguerite	Linnet Marguerite
Feb. 14, 2026	<b>VERONICA III*†</b> 9326055	Panama†	Shanghai Future Ship	Shanghai Future Ship	Volans Delta

Note: The vessel names, flags, and ownership information shown here reflect their status at the time of interdiction.

\* Denotes members of the Protean Fleet.

† Denotes the flag is false.

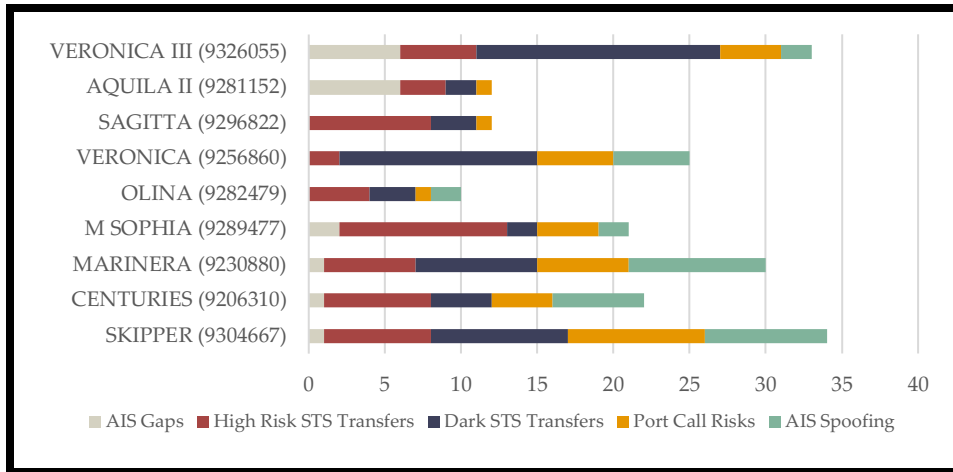
‡ Denotes the vessel is sanctioned by the U.S.

Taken together, these records indicate that the network was not *ad hoc*, but operated through a coordinated ownership and management architecture. Although shell companies and proxy arrangements still obscure ultimate beneficial ownership in some cases, the seizures make visible a substantial China-, Hong Kong-, and Russia-linked structure behind the platform.

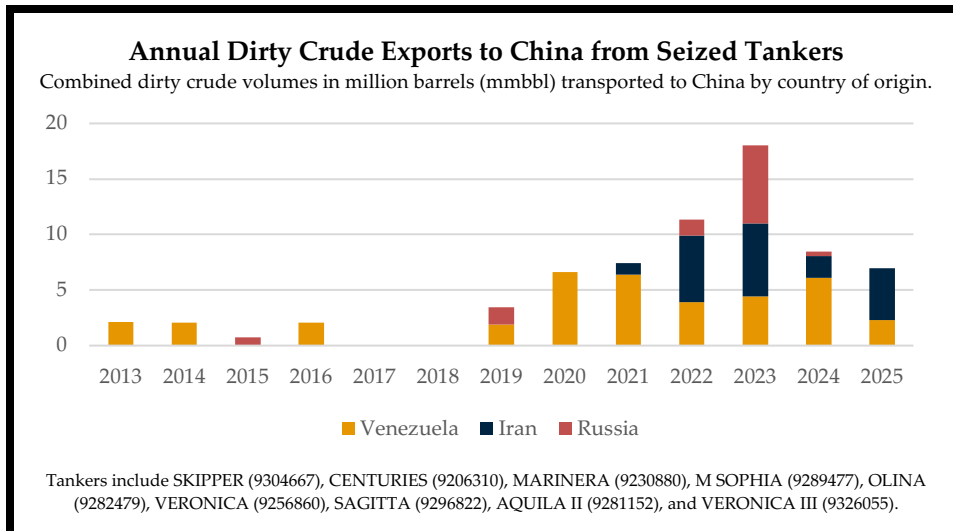
Across the nine vessels, the Select Committee’s review of data recorded nearly 200 discrete evasion incidents spanning five categories: AIS gaps, spoofed location signals, high risk and covert dark STS transfers conducted with AIS disabled, and port calls at sanctioned export hubs. VERONICA III (IMO 9326055) logged 16 dark transfers alone, while MARINERA (IMO 9230880) recorded the most AIS spoofing incidents and SKIPPER (IMO 9304667) accumulated the highest number of port call risks. The pattern across vessels was not isolated lapses but repeated use of multiple evasion tactics across voyages.

#### Evasion Incidents Recorded Across Seized Tankers

Nearly 200 incidents including AIS gaps, AIS spoofing, high risk ship-to-ship (STS) transfers, dark STS transfers conducted with tracking disabled, and port call risks.

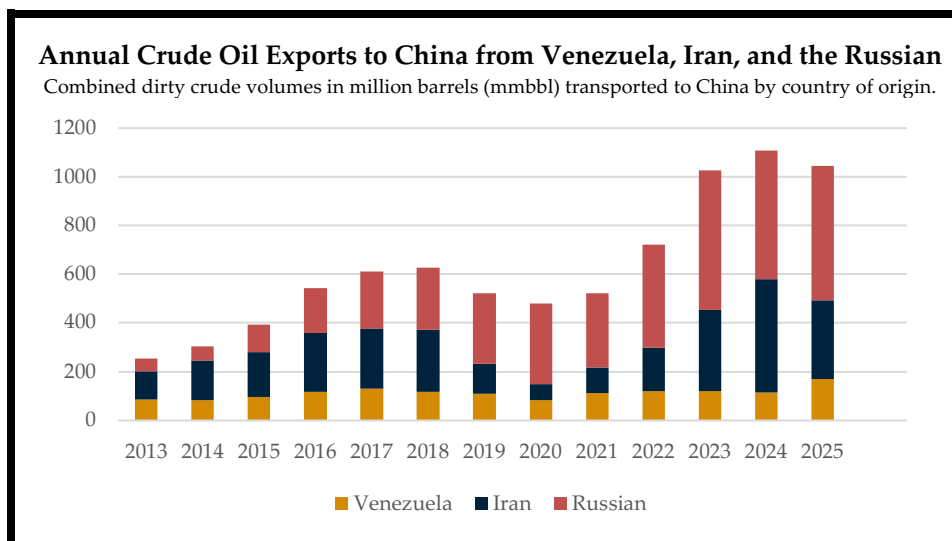


These tactics enabled the vessels to move substantial volumes of sanctioned crude. Between 2013 and 2025, these nine vessels delivered 37.9 million barrels of Venezuelan crude, 20.3 million barrels of Iranian crude, and 11.1 million barrels of Russian crude to Chinese ports, totaling about 69.3 million barrels.<sup>25</sup> Deliveries were initially dominated by Venezuelan crude, but Iranian and Russian shipments expanded sharply after 2021, with activity peaking in 2023 when cargoes from all three countries moved simultaneously through the network.<sup>26</sup> At prevailing global oil prices during the period, those shipments represent at least \$4 billion in crude oil exports.



To contextualize the scale, between 2013 and 2025 China imported about 8.16 billion barrels of crude from Venezuela, Iran, and Russia

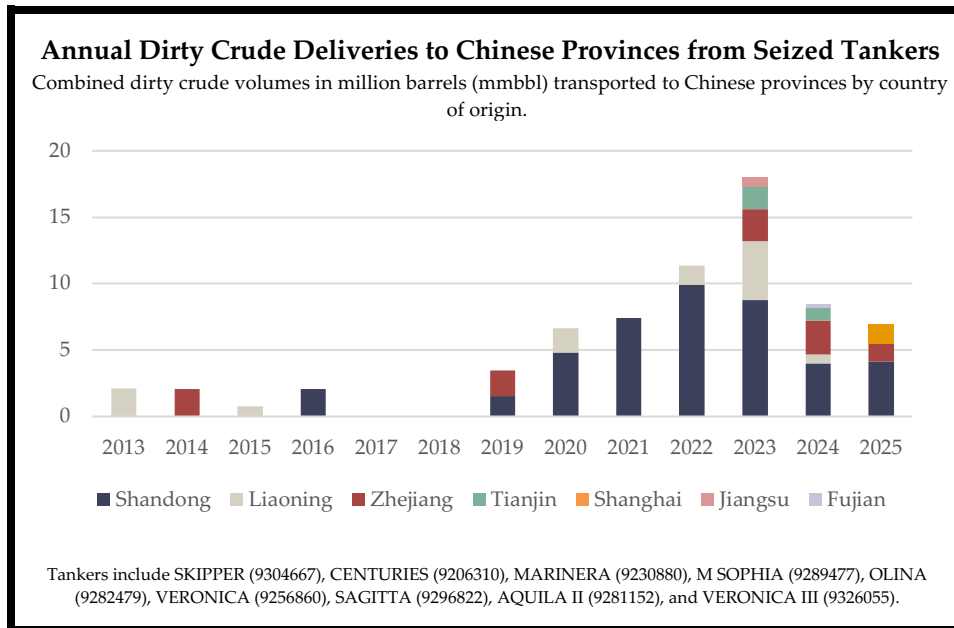
combined, averaging roughly 1.7 million barrels per day.<sup>27</sup> The deliveries linked to these nine vessels account for less than one percent of that total, but still offer a window into how sanctioned crude reaches Chinese buyers.



While a small share of overall volume, the delivery records of these nine vessels track the broader shift in sanctioned oil flows into China. Early activity was dominated by Venezuelan cargoes, but the composition shifted markedly after 2022, when Russia’s invasion of Ukraine drove Chinese refiners to absorb heavily discounted Russian crude at scale.<sup>28</sup> Chinese imports of Russian crude nearly doubled between 2021 and 2023, rising from roughly 304 million barrels to more than 574 million barrels, and deliveries among these vessels peaked that same year as cargoes from all three sanctioned suppliers moved through the fleet simultaneously for the first time.

**Finding 2: Nearly two-thirds of all crude delivered by seized vessels were discharged at terminals in Shandong Province.**

The delivery records reveal who it was built to serve. Between 2013 and 2025, approximately 42.7 million barrels, or roughly 62 percent of total deliveries, discharged at Shandong terminals.<sup>29</sup> Liaoning received the next largest share at about 11 million barrels, followed by Zhejiang at roughly 10 million barrels.<sup>30</sup> Deliveries to Shandong were negligible before 2020 but accelerated sharply thereafter, peaking in 2022 and 2023 as the network expanded and Russian and Iranian volumes entered the supply mix.



Kpler data on aggregate flows into Shandong aboard those nine vessels confirms the trend. Iranian and Venezuelan crude began arriving in 2013, giving Shandong’s refiners years to learn how to process the heavy, high-sulfur barrels that other buyers shunned. So when Russian crude flooded the market in 2022, following Russia’s invasion of Ukraine, the necessary infrastructure and expertise were already in place. Between 2021 and 2024, annual volumes from all three suppliers into Shandong roughly tripled, with Russian crude accounting for most of the increase. The geographic concentration visible in these delivery records reflects sanctions adaptation, not some preexisting structural logic. Shandong had already developed the refining capacity, regulatory space, and market tolerance for sanctioned crude. When Russian barrels needed a destination, that ecosystem was ready.

That infrastructure traces back to 2015, when Beijing ended the state-owned monopoly on crude imports and granted Shandong’s roughly 150 independent “teapot” refineries the authority to import and process their own oil.<sup>31</sup> Within a decade, those facilities had optimized for the heavy, high-sulfur grades typical of Iranian, Venezuelan, and Russian crude—precisely the barrels sanctions have made untouchable for many buyers and that therefore trade at the steepest discounts.<sup>32</sup>

Today the sector is no longer expanding. Kpler data shows flows of sanctioned-origin crude into Shandong declining materially in 2025.<sup>33</sup>

Compressed margins and persistent overcapacity—China’s refining capacity of roughly 19 million barrels per day exceeds domestic demand of about 16.5 million barrels per day—have left many independent refiners under financial strain.<sup>iii</sup> At the same time, U.S. sanctions enforcement has begun targeting refinery buyers themselves. For years those buyers were largely untraceable: roughly 85 percent of volumes carried by the seized vessels are recorded under an “Unknown” buyer, with shell companies severing the link between oil arriving at a terminal and the refinery purchasing it.<sup>34</sup> That opacity began to erode in 2025, when the U.S. Treasury Department’s Office of Foreign Assets Control (OFAC) designated Shandong Shengxing Chemical Co., Ltd. for purchasing more than \$1 billion in Iranian crude, following an earlier designation of Shandong Shouguang Luqing Petrochemical.<sup>35</sup>

## **Pillar 2—The Buyer of Last Resort**

### **Finding 3: China exploited Western sanctions to become the buyer of last resort for discounted crude.**

Western sanctions on Russian, Iranian, and Venezuelan crude were designed to reduce the revenue available to hostile governments. Instead of fully removing those barrels from the market, however, the measures pushed them toward a narrower set of buyers willing to absorb the legal and financial risks of the trade—foremost among them China. The result is a market in which sanctioned exporters increasingly rely on a limited number of purchasers, while Chinese refiners benefit from access to deeply discounted crude.

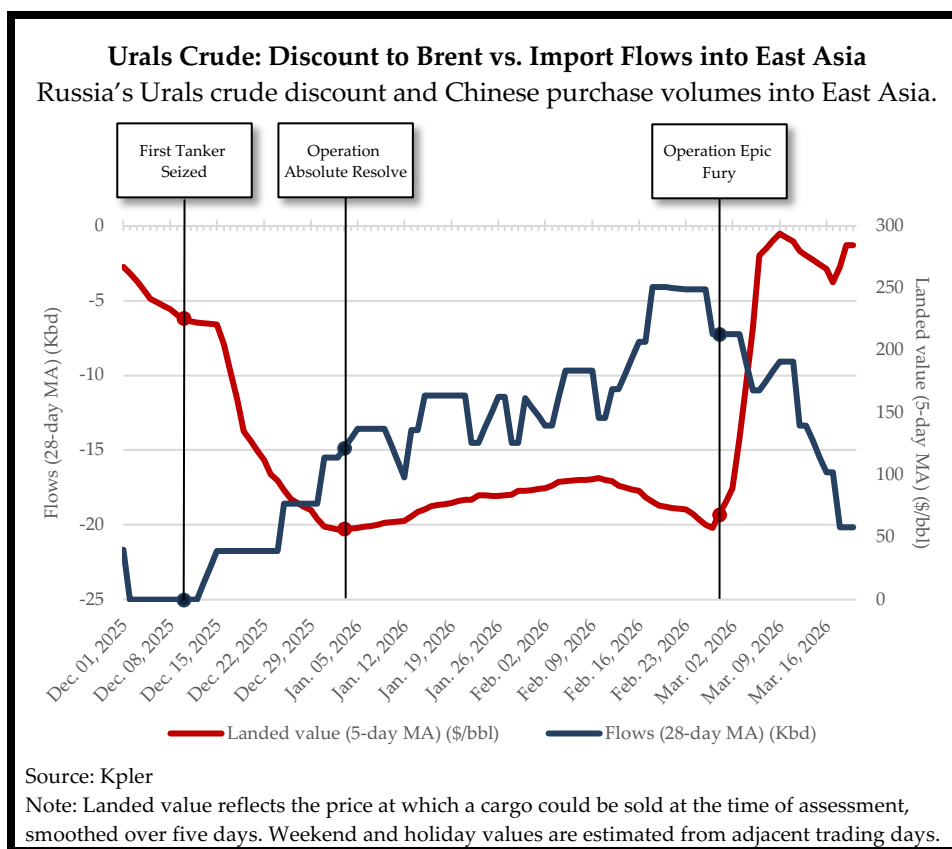
The mechanism had been building for months and intensified in late 2025 and early 2026. European refiners had already largely exited the market for sanctioned crude.<sup>36</sup> By late 2025, India and Turkey, wary of sanctions exposure, were also curtailing purchases of Russian Urals crude, Russia’s flagship export blend.<sup>37</sup> The United States then escalated enforcement against Venezuelan oil exports beginning with the December 10, 2025, seizure of a sanctioned tanker off Venezuela and a broader sanctions-and-blockade campaign that, by mid-December, had sharply curtailed exports; after Operation Absolute Resolve on January 3, 2026,

---

<sup>iii</sup> China’s contribution to global oil demand growth has also slowed materially, from roughly half of global incremental demand a decade ago to an estimated 150,000 barrels per day today, as transportation fuel consumption declines with electrification. Refinery throughput is further constrained by export quota allocations rather than pure market signals, meaning excess capacity does not automatically translate into higher runs.

Venezuela was further sidelined even as a residual competing sanctioned supplier of discounted heavy crude.<sup>38</sup> Within weeks, the buyer pool for sanctioned barrels had narrowed to essentially one remaining large-scale purchaser.

Beijing did not move immediately to fill the gap.<sup>39</sup> Instead, Chinese buyers initially slowed purchases, allowing unsold Russian cargoes to accumulate in floating storage and forcing Russian exporters to accept sharply deeper discounts. By late December, Urals had fallen from roughly \$6 below the global benchmark price in mid-December to nearly \$20 below it by year-end, measured at the point of delivery into East Asia.<sup>40</sup> Those discounts were several times wider than the low single-digit differentials seen earlier in 2025 and translated into substantial losses for Moscow. Only after prices fell to those levels did Chinese import volumes begin to rise.<sup>41</sup>



By the time Chinese buyers returned to the market, Russia had no leverage left to resist their terms. Urals cargoes that had sat in floating storage for weeks—with demurrage costs accumulating and no alternative buyers on the horizon—were offloaded at whatever price

Chinese refiners were willing to pay. By late January 2026, China was on track to receive nearly 1.5 million barrels per day of Russian crude by sea, including a record 405,000 barrels per day of Urals; later vessel-tracking put whole-month January deliveries to Chinese ports at roughly 1.7 million barrels per day.<sup>42</sup> Moscow was moving more oil than ever to China, and collecting less for it than at any point in the preceding year.

Russia was the clearest example, but not the only one. Iranian crude discounts widened sharply over the course of 2025, moving from roughly \$0.50 to \$1 below Brent in early March to about \$8 to \$10 below Brent by December, as China bought more than 80 percent of Iran's shipped oil.<sup>43</sup> Venezuela showed the same pattern: before Maduro's removal, its flagship Merey heavy crude was already being sold to China at steep double-digit discounts, reaching as much as \$21 below Brent in December.<sup>44</sup> Across all three cases, the pattern was the same: as the buyer pool shrank, China's leverage increased, allowing Chinese refiners to capture more of the value created by deep discounts on sanctioned crude.

China then converted that pricing advantage into strategic depth. As Western sanctions redirected discounted barrels toward China, Beijing used those barrels not only to supply its refineries, but also to expand the reserve system itself. In October 2025, Reuters reported that state oil companies were adding at least 169 million barrels of storage across 11 sites in 2025 and 2026.<sup>45</sup> Over the same broader period, China's observable crude inventories rose from roughly 979 million barrels in late 2021 to about 1.2 billion barrels by March 2026, with commercial storage accounting for most of the increase.<sup>iv</sup> Sanctioned crude discounts gave Beijing a window to accumulate oil it otherwise would have had to buy at market prices.

As Beijing was deepening those reserves in late 2025, it was also shaping the wider market. The U.S. Energy Information Administration said China's 2025 inventory builds acted as "a secondary source of oil demand," absorbing a significant share of additional OPEC+ supply.<sup>46</sup> Unlike the United States, which publishes regular official SPR data, China discloses little about the size or intended use of its reserves.<sup>47</sup> The near-term effect of that buying may have been stabilizing. The same opacity,

---

<sup>iv</sup> China treats crude and refined product stocks, including commercial holdings and its own strategic reserves, as a state secret, so totals are not officially disclosed. The estimates cited here rely on Kpler's analysis, which cross-references satellite imagery of tank utilization and port tracking with refinery throughput and import data. Since these figures focus on observable storage, they likely understate China's true holdings, which may include less visible facilities like underground caverns.

however, means any reversal in Beijing’s purchasing could come with little warning and move global energy markets before the United States or its allies had time to respond.

### **Pillar 3—The Payment Architecture**

Western sanctions aim to stop sanctioned oil at the point of payment. The international banking system—anchored by SWIFT and enforced through correspondent relationships—is designed to make cross-border transfers traceable, granting the United States unique visibility into and levers of influence over global trade. For sanctioned oil, that means payment itself becomes the trap.

However, Beijing and Moscow have spent more than a decade seeking to “de-dollarize” their economies to shield themselves from exactly this vulnerability.<sup>48</sup> Following Russia’s full-scale invasion of Ukraine in February 2022, these long-standing efforts accelerated sharply. Sanctioned energy trade increasingly shifted toward non-dollar settlement, with estimates suggesting that roughly 20 percent of global oil transactions in 2023 were conducted in alternative currencies.<sup>49</sup>

That shift has not produced a clean break. China does not allow the renminbi to float freely, and the dollar still anchors global liquidity. What appears instead in the record is a narrower set of workarounds concentrated in sanctioned inflows to China: closed-loop tactics that obscure a cargo’s origin, settle trade through non-dollar channels outside SWIFT-linked pathways, and use higher-opacity bridges when standard intermediaries are too exposed—all to limit contact with U.S.-controlled financial systems. However, the same evidence also suggests the system is not seamless. At the margins, counterparties’ demand for hard currency can still reintroduce dollar exposure even where the architecture is meant to avoid it.

**Finding 4: Beijing has built a layered evasion architecture that protects sanctioned oil trade at the two points where Western enforcement is designed to bite hardest: the origin of the cargo and the settlement of value.**

This architecture does not operate as a single payment channel. It functions as a portfolio of mechanisms—graduated by partner, calibrated to enforcement pressure, and designed so that disruption of any one node does not collapse the system as a whole.

### *Commercial Concealment*

At the front end, sanctioned cargoes are stripped of their identities before reaching Chinese ports. Iranian barrels loaded at Kharg Island are relabeled as “Oman Blend” or “Malaysian Light” after ship-to-ship transfers in the Gulf of Oman.<sup>50</sup> Each month, Iranian crude reaches refineries on China’s Shandong coast while appearing in Chinese customs records as Malaysian oil.<sup>51</sup> Certificates of origin, bills of lading, and cargo manifests are reissued to erase the cargo’s sanctioned provenance.

Venezuelan Merey heavy crude undergoes a parallel process. Earlier shipments were often transferred ship-to-ship near Malaysia and then entered Chinese customs records as Malaysian crude.<sup>52</sup> More recent cargoes have been relabeled as Brazilian “mixed bitumen” and, in some cases, paired with spoofed tanker signals to make it appear that the oil loaded in Brazil rather than Venezuela.<sup>53</sup> That newer approach allows traders to send cargoes directly to China, bypass the Malaysia stop, shorten the voyage, and secure financing more easily. The result is the same: fewer than 10 percent of Venezuelan-origin barrels in China’s official customs data are recorded as Venezuelan, even though vessel-tracking data still identify large volumes of Venezuelan cargoes arriving in China.<sup>54</sup>

In both cases, intermediary firms in Malaysia and the United Arab Emirates (UAE) execute back-to-back sales that stack transactional layers between the sanctioned exporter and the Chinese refiner, fragmenting the evidentiary trail across jurisdictions by design.<sup>55</sup>

### *Parallel Settlement Channels*

At the back end, these cargoes are settled through channels that avoid SWIFT, Western correspondent banks, and ordinary dollar clearing. The mechanism varies by partner, but the objective is the same: keep sanctioned oil moving while making the transfer of value harder for Western authorities to see, trace, or block. That transfer is not always a conventional cash payment; it can also take the form of debt service, offsets, or other non-cash arrangements. In each case, exchange houses, front companies, or designated payment agents stand between the sanctioned seller and the Chinese buyer, absorbing the legal and sanctions risk while operating through lighter-regulation jurisdictions, primarily Hong Kong and the UAE, often with multi-currency accounts

and repurposed paperwork. The result is a system with no single chokepoint.

For Russia, the architecture is newer but quickly scaling. Russia and China declared a “no limits” partnership in February 2022, weeks before the invasion of Ukraine,<sup>56</sup> and bilateral trade has since doubled to a record \$245 billion—over 90 percent of which now settles in rubles and renminbi rather than dollars or euros.<sup>57</sup> To protect these flows, sanctioned Russian banks established the “China Track”: a netting system that settles trade in both directions—Russian energy exports in one, Chinese goods and dual-use technology in the other—through payment agents in “friendly” countries, without using SWIFT or Western bank accounts.<sup>58</sup> For higher-risk transactions where even those channels remain too sensitive, traders utilize a cryptocurrency bridge, paying renminbi to offshore middlemen who convert the funds into digital assets before transferring them back into rubles.<sup>59</sup> These mechanisms serve a singular function: enabling sanctioned Russian trade to settle entirely within a parallel financial system.

For Iran, the financial loop appeared to be the most sophisticated prior to March 2026, utilizing two primary methods to settle accounts for the relabeled crude. The simplest involves routing payments—discounted by \$10 to \$30 per barrel—through Hong Kong front companies and shadow bank accounts to bypass the SWIFT network entirely.<sup>60</sup> More radically, however, a growing portion of this trade—totaling roughly \$8.4 billion in 2024—never leaves China at all.<sup>61</sup> Under this model, Chinese buyers channel payments through an intermediary called Chuxin, which then pays Chinese construction firms for building airports, refineries, and roads inside Iran.<sup>62</sup> This entire arrangement is underpinned by the China Export and Credit Insurance Corporation (Sinasure), the state export credit agency that insures these contracts and provides the necessary financial guarantees.<sup>63</sup> By converting oil revenue into state-insured construction disbursements, the two nations effectively disguise oil sales as infrastructure development. With Sinasure having underwritten over \$33 billion in similar projects across sanctioned states like Russia and Venezuela, Beijing maintains a ready network of contractors to serve as permanent conduits for these “oil-for-infrastructure” swaps.<sup>64</sup>

For Venezuela, the settlement picture appeared to be messier—and reflected both the limits and distinct structure of Beijing’s control. China was not merely a buyer of Venezuelan oil; it also was a major creditor and investor, with some crude shipments functioning as debt service or

investment recovery rather than as purely commercial sales. Most China-Venezuela oil settled in renminbi, consistent with Beijing's push for de-dollarization.<sup>65</sup> However, Caracas needed dollars to survive, and that need proved stronger than Beijing's preferences. Hard currency—and at least one dollar-backed stablecoin—were in the settlement mix as Venezuelan exchanges and Venezuelan state-owned PDVSA turned to cryptocurrency to offset drying dollar liquidity under sanctions.<sup>66</sup> The result was a system that was less airtight than Beijing's model for Iran: deeper financial entanglement made China's position in Venezuela harder to unwind, but it did not fully eliminate the dollar exposure the system was designed to avoid.

**Finding 5: Municipal-level Chinese government documents reveal central coordination of alternative settlement policy.**

Municipal Chinese government documents from mid-2025 reveal what the financial mechanisms alone cannot: central direction. In June 2025, Wenling, a coastal city in Zhejiang Province, issued guidance on alternative trade settlement for commerce with Iran and Russia, which it designated as “countries with difficulties in foreign exchange receipts and payments,”<sup>67</sup> pairing expanded Sinosure cooperation with instructions to “ensure the stable operation of foreign trade” and to “explore new trade settlement methods.”<sup>68</sup> Weeks later, Suifenhe, a border city in Heilongjiang Province, issued nearly identical guidance using the exact same core phrase: “actively exploring new trade settlement methods.”<sup>69</sup>

In China's governance system, the State Council in Beijing sets national strategy while provincial and municipal governments implement it through local directives. That top-down structure explains why Wenling and Suifenhe—cities a thousand miles apart—issued identical guidance at the same time, using the same language and Sinosure references, even though no corresponding central directive has surfaced in the public record.

The uniformity establishes that alternative settlement operates as a centrally directed architecture. Sanctioning any single bank, company, or city will therefore not break the system; Beijing will simply rebuild it around whatever the United States designates next.

## PART III: THE SHADOW FLEET AS A MILITARY MOBILIZATION PLATFORM

This section shows that the shadow fleet’s strategic value does not end with sanctions evasion. Its military utility operates through two reinforcing layers: a technical backbone that reduces reliance on Western-controlled navigation and surveillance systems, and a human layer in which vessels within the same ecosystem carry military, intelligence, and paramilitary personnel.

### **Finding 6: China built the shadow fleet’s command-and-control system.**

At the foundation of this architecture lies satellite navigation. BeiDou, China’s independent global navigation satellite system, is the foundation of that backbone. For operators moving sanctioned cargo, dependence on foreign-controlled navigation systems is an obvious risk, especially in a crisis. At the same time, Russia’s aging GLONASS constellation has become increasingly unreliable. BeiDou therefore offers China and its partners a system they control themselves, with the precision and resilience needed to sustain navigation and coordination across sanctions-exposed maritime routes.

The integration of BeiDou and GLONASS—first proposed in 2018—became a formal pillar of the February 2022 “no-limits” partnership,<sup>70</sup> with system synchronization and reciprocal ground stations reducing both countries’ dependence on Western infrastructure.<sup>71</sup> The timing proved decisive. When sanctions followed Russia’s invasion of Ukraine days later, Russian energy exports were already operating on a sovereign navigation backbone designed to reduce exposure to Western-controlled systems and to preserve continuity under contested electromagnetic conditions. This model is now spreading beyond Russia’s energy trade. Iran signed a comparable BeiDou cooperation agreement with China in 2021,<sup>72</sup> later expanding military access after heavy GPS interference during the 12-Day War in June 2025.<sup>73</sup>

The implications extend beyond oil logistics. The same infrastructure Beijing helped construct to move sanctioned crude—satellite navigation, opaque ownership structures, and deliberate AIS manipulation—also enables covert military and security activity at sea. Vessels operating outside Western oversight can move not only energy cargo but sensitive equipment, personnel, or weapons with minimal visibility. Investigations

by European journalists and maritime analysts show Russia-linked vessels going dark several times more often than comparable commercial fleets since the invasion of Ukraine, with outages accelerating sharply in 2025.<sup>74</sup> Chinese-linked vessels using the same model have also been implicated in mapping, monitoring, and damaging Taiwan's undersea communications cables.<sup>75</sup> Together, these patterns show the shadow fleet functioning not just as a sanctions-evasion network but as a platform for broader gray-zone operations.

**Finding 7: Shadow fleet vessels create a cyber enforcement gap.**

The architecture described in Finding 6 does more than grant the shadow fleet freedom of movement. It also sharply limits external visibility into the vessels themselves. Ships operating behind opaque ownership structures, weak or fraudulent flag arrangements, and manipulated electronic signatures receive virtually no scrutiny of their onboard systems' condition, configuration, or integrity.

This reduced scrutiny is especially concerning because, according to the Government Accountability Office, the broader U.S. Maritime Transportation System already faces "significant and increasing" cyber risk.<sup>76</sup> One recent industry assessment recorded a 103 percent rise in incidents in 2025, from 408 in 2024 to 828, with attacks now focusing increasingly on vessel systems rather than shoreside IT alone.<sup>77</sup> The baseline is likely worse aboard shadow fleet vessels: a security researcher recently located a commercial vessel's satellite communications terminal through a public search engine and accessed it using default credentials—no malware, no exploit, just a web browser and the password "1234."<sup>78</sup> Any boarding, diversion, escort, or seizure of shadow fleet vessels must therefore contend not only with concealed cargo and ownership but also with digital systems whose security posture is largely unknown.

The United States is beginning to build a more serious maritime cyber response. In 2024, U.S. Coast Guard Cyber Command (CGCYBER) fielded three active-duty Cyber Protection Teams (CPTs) and one reserve team, completing a record 42 Maritime Transportation System (MTS) missions.<sup>79</sup> These roughly 39-person deployable units assess networks, hunt for malicious activity, and respond to cyber incidents, drawing on CGCYBER's unusual blend of military, regulatory, and law-enforcement authorities.<sup>80</sup> Force Design 2028 formalizes this trajectory, directing CGCYBER's restructuring to address cyber and space domain threats, improve Joint Force interoperability, and implement the Department of

War's Zero Trust Strategy.<sup>81</sup> Even so, expanded sanctions enforcement and interdiction responsibilities would strain a force already tasked with helping defend a U.S. Maritime Transportation System that handles more than \$5.4 trillion in annual goods and services.<sup>82</sup>

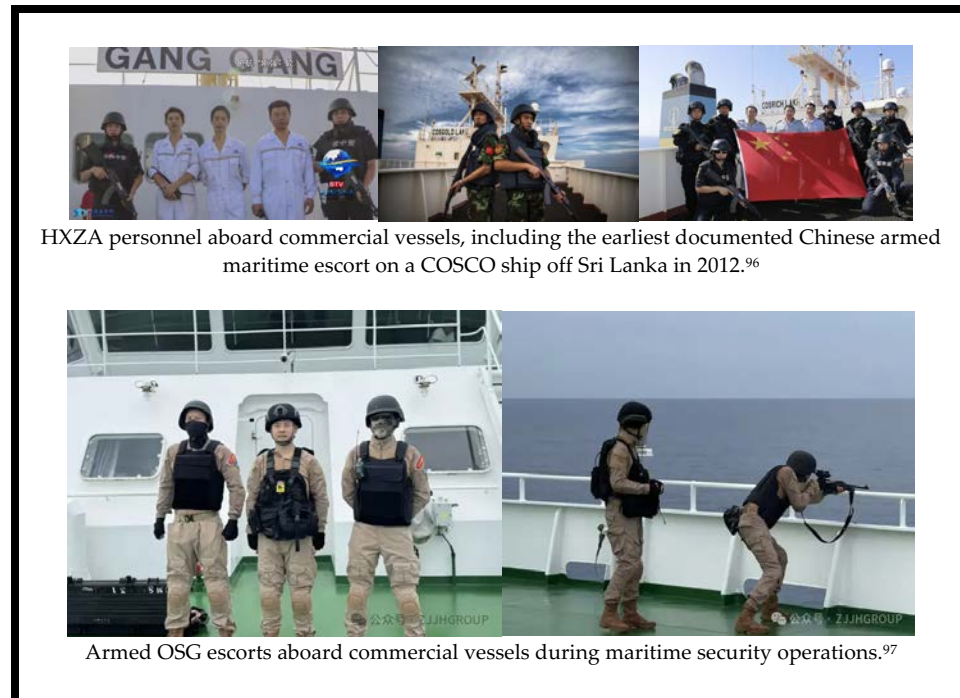
**Finding 8: Shadow fleet vessels carry Chinese and Russian military and intelligence personnel among their crews.**

The shadow fleet's operational resilience extends beyond technological evasion. These vessels move strategic state cargo—oil, refined fuels, and, at times, sanctioned cargo like weapons—through piracy-prone waters such as the Gulf of Aden, the Gulf of Guinea, and the Strait of Malacca.<sup>83</sup> To secure those voyages, both Russia and China place armed personnel aboard, drawn from private military and security companies (PMSCs) staffed by former intelligence, military, and internal security personnel.<sup>84</sup> Unlike the more regulated and overtly defensive private security model associated with many U.S. and U.K. firms, these Chinese and Russian companies function less like private contractors than like instruments of state power, protecting regime interests, serving state-owned clients, and blurring the line between commercial security and coercive geopolitical activity.<sup>85</sup>

On the Russian side, two firms dominate maritime security for the shadow fleet: RSB Group (RSB) and Moran Security Group (Moran). According to RSB Group's website, the company has "protected tens of merchant and scientific Russian and foreign vessels," employs former Russian intelligence officers and other combatants, and has trained units for the war in Ukraine.<sup>86</sup> Moran describes itself as "an international group of companies offering premier security, transportation, medical, rescue, and consulting services" and lists armed ship escort, convoy protection, protection of seaports and offshore platforms, and "intelligence operations" among its maritime offerings.<sup>87</sup> Both have also been hit with Western sanctions: RSB by the United States, Britain and Canada, and Moran by the United States for operating in Russia's defense sector and doing business with Russian state-owned enterprises.<sup>88</sup>

On the Chinese side, two firms stand out in maritime security: Huaxin Zhongan (HXZA)<sup>89</sup> and Overseas Security Guardians (OSG).<sup>90</sup> HXZA, a Beijing-based private security company founded in 2004 by former PLA personnel, was the first Chinese firm to offer armed maritime escort services in 2012 and remains one of the few government-authorized companies to conduct armed escorts at sea.<sup>91</sup> This has given it

a near-monopoly protecting major state-owned carriers such as COSCO and China Shipping Container Lines.<sup>92</sup> It also operates alongside PLA Navy anti-piracy missions and has expanded into drone-enabled security services.<sup>93</sup> OSG, founded by PLA veterans in 1987, describes itself as “the vanguard in advancing [China’s] national overseas security strategy.”<sup>94</sup> It provides armed escort for research vessels, distant-water fishing fleets, and commercial ships through a network spanning 48 countries, including a substantial presence in Africa by late 2023.<sup>95</sup>



The Select Committee has identified Russian military, intelligence, and private military personnel aboard multiple shadow fleet vessels using vessel tracking data, commercial maritime intelligence, open source reporting, and other commercially available data. Some of those vessels transported sanctioned Russian crude to named Chinese buyers, while others carried Russian military-linked personnel across Arctic, European, and Indian Ocean routes.

- **PHOENIX (IMO 9332810)** is a Russian-flagged crude oil tanker sanctioned by the UK and EU.<sup>98</sup> In September 2025, the vessel came under scrutiny over suspected involvement in drone overflights in Denmark.<sup>99</sup> Days later, when France intercepted it off Saint-Nazaire, two Russian nationals who had recently joined the crew as technical workers were aboard, including one former

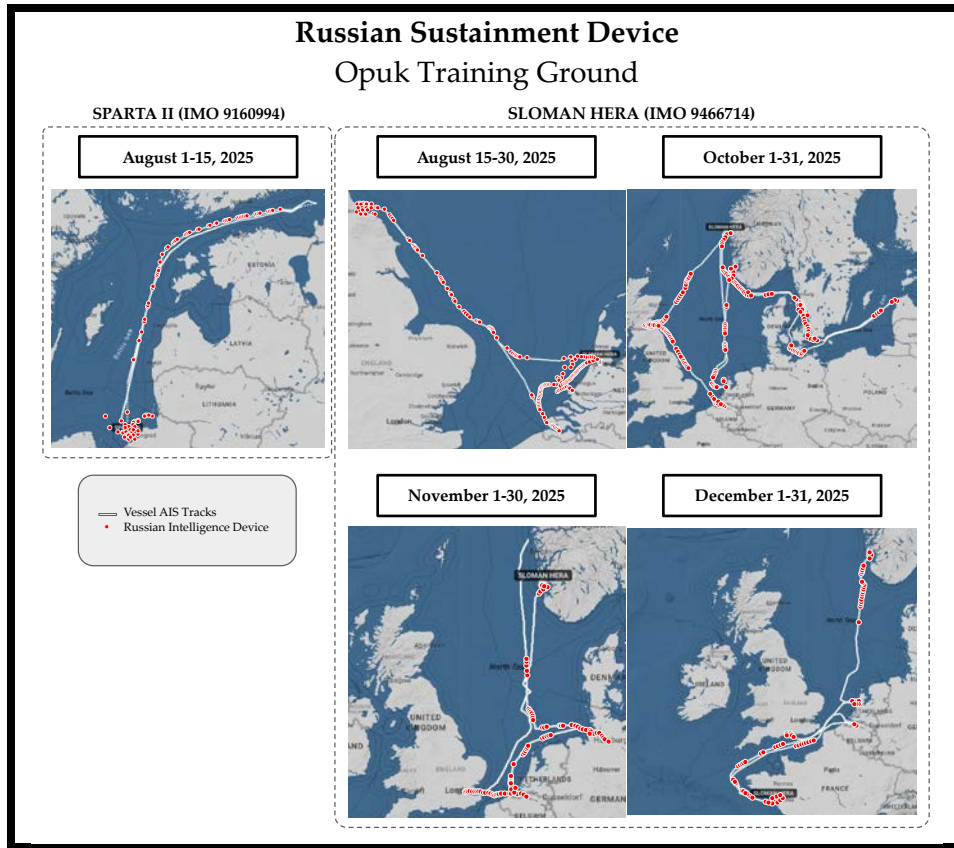
police officer who had previously worked for Wagner.<sup>100</sup> Earlier that year, the vessel was detained by Estonia while sailing without a valid flag from Sikka to Ust-Luga; Estonian authorities found more than 40 deficiencies before releasing it.<sup>101</sup> By early 2026, renamed PHOENIX, it was documented delivering Russian crude to China.<sup>102</sup>

- **QENDIL (IMO 9310525)** is an Oman-flagged crude oil tanker sanctioned by the UK, Canada, Australia, the EU, Switzerland, New Zealand, and Ukraine for transporting Russian oil.<sup>103</sup> Investigative reporting found that when QENDIL departed Ust-Luga in September 2025, it carried two Russian “security” supernumeraries—one linked to the GRU’s 22nd Spetsnaz Brigade and the other a former Wagner mercenary. Neither was listed with standard maritime credentials.<sup>104</sup> The men reportedly left the vessel before QENDIL was struck by a Ukrainian drone in the Mediterranean in December 2025.
- **KIRA K (IMO 9346720)** is a Panama-flagged crude oil tanker sanctioned by the UK, Canada, Australia, the EU, Switzerland, New Zealand, and Ukraine for transporting Russian oil through deceptive, high-risk practices.<sup>105</sup> According to Kpler, KIRA K loaded 734,398 barrels of Urals crude at Primorsk Mix on December 21, 2025, for delivery to Rizhao Port, China. Lukoil was listed as the seller, and the reported buyers were Rizhao Landbridge Gangkou Petrochemical, Shandong Haiyou Petrochemical, Sinopec, and Zhonghaiwai Energy. Investigative reporting indicated that, on this voyage, the vessel’s crew list included two Wagner veterans listed as “supernumeraries” with qualifications marked “NA.”<sup>106</sup>
- **ALEKSEY KOSYGIN (IMO 9904546)** is a Russian-flagged LNG carrier sanctioned by the U.S.<sup>107</sup> Russia built the vessel to carry liquefied natural gas year-round along the Northern Sea Route for Novatek’s Arctic LNG 2 project, part of Moscow’s push to expand Arctic gas exports to overseas markets, especially Asia.<sup>108</sup> From December 9, 2025, through January 28, 2026, spanning its pre-delivery period at Zvezda and its first voyage to Arctic LNG 2, where it reportedly loaded its first cargo, the Select Committee tracked a device associated with Russia’s 95th Separate Communications Brigade in sustained proximity to the vessel.<sup>109</sup> The device remained co-located with the ship over more than

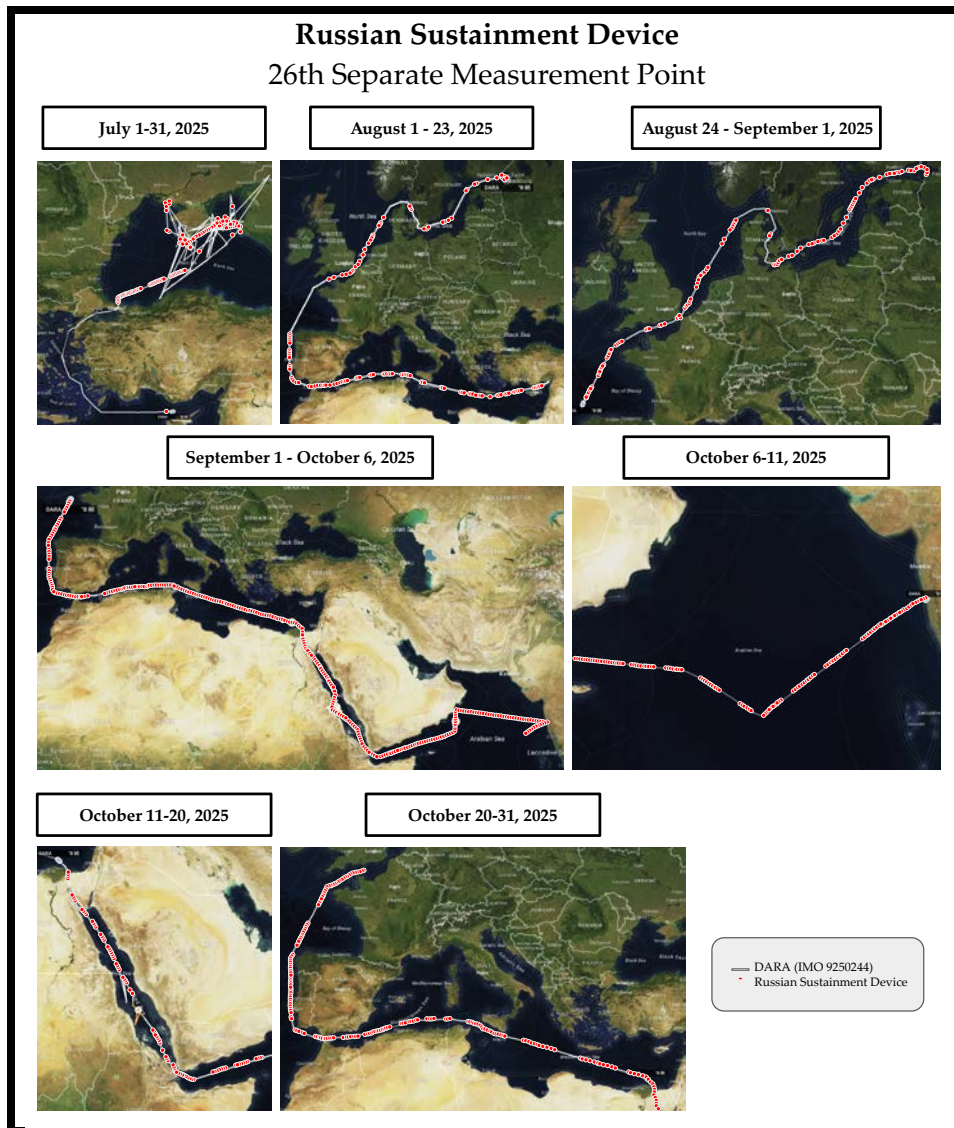
2,000 kilometers of Arctic travel, including during extended AIS outages, before later reappearing near the brigade's headquarters in St. Petersburg.



- **SPARTA II (IMO 9160994)** is a Russian-flagged roll-on, roll-off cargo vessel sanctioned by the U.S. and operated by Oboronlogistika, the Russian Defense Ministry's logistics arm.<sup>110</sup> It has been publicly linked to transporting military cargo from Syria to Russia, including S-300 air defense systems.<sup>111</sup> **SLOMAN HERA (IMO 9466714)** is an Antigua and Barbuda-flagged chemical tanker that is not sanctioned. In 2025, the Select Committee tracked a device associated with a Russian military missile-warning unit, first aboard SPARTA II during an August Baltic transit and later aboard SLOMAN HERA during voyages from October through December.<sup>112</sup> The device later moved from one vessel to the other and returned to Kaliningrad in early 2026, suggesting the same personnel or mission may have been involved in both deployments.



- DARA (IMO 9250244)** is a Liberian-flagged bulk carrier. The vessel is not currently sanctioned, but it has a notable compliance history, including a 2021 detention in Australia and an 18-month ban from Australian ports for systemic operational failures and seafarer-rights violations.<sup>113</sup> From July 1 through November 6, 2025, the Select Committee tracked a device previously detected near Russia’s Opuk Training Ground in occupied Crimea in sustained proximity to the vessel during a four-month voyage from the Black Sea through the Mediterranean and Red Sea into the Indian Ocean. The device remained with the ship through short port calls, loitering periods, and AIS gaps, including a July 31 loitering episode near Cyprus.<sup>114</sup>



China and Russia operate within the same shadow-fleet ecosystem, even where the available evidence does not illuminate their roles with equal clarity. The Select Committee has documented Russian military, intelligence, and private military personnel aboard multiple vessels; Chinese personnel have not been identified with comparable specificity on those same ships. That asymmetry reflects the limits of available data, not necessarily the limits of Chinese involvement.

## PART IV: SO WHAT NOW?

The architecture described in this report produced China's strategic petroleum reserve at heavily discounted rates. Over the course of 2025, Chinese refiners used discounted Russian, Iranian, and Venezuelan crude to push China's imports to a record 580 million metric tons—a 4.6 percent increase over the prior year. By late February 2026, Kpler estimated China held approximately 1.2 billion barrels of onshore crude, roughly 109 days of seaborne import cover, with an additional 46 million barrels of Iranian crude in floating storage and bonded tanks at Dalian and Zhoushan.

Then the sources of that crude started disappearing. On January 3, Venezuelan dictator Nicolás Maduro was detained and the United States escalated enforcement against Venezuelan exports. On February 28, the United States and Israel struck Iran, and Tehran moved to shut down the Strait of Hormuz and warned ships that passage was “not allowed,” threatening to set them “ablaze.”<sup>115</sup> Within days, tanker traffic dropped roughly 70 percent, insurers pulled war-risk cover, and Brent surged from \$71 to nearly \$120 a barrel.<sup>116</sup> The IEA released 400 million barrels from emergency reserves—the largest coordinated draw in history—which is enough to cover roughly four days of global consumption. Japan and South Korea measured remaining supply in weeks. Parts of South Asia began rationing fuel. China's reserves held.

This forced Beijing to act. It banned refined fuel exports—removing a top-three Asian supplier from diesel, gasoline, and jet fuel markets at the worst possible moment for the rest of the continent. It imposed its largest retail price hike since 2022 and cut Sinopec refinery runs 10 percent. Pre-war, China imported 3.4 mbd of crude via the Strait from Gulf producers.<sup>117</sup> That flow has now split: Iran's shadow fleet continues near pre-war deliveries, while Saudi, Iraqi, UAE, and Kuwaiti shipments have halted, stranding 25 million barrels destined for China.<sup>118</sup> Beijing pressed Iran to reopen the strait, pivoting within days from backing Tehran's “legitimate rights” to demanding open lanes and a ceasefire.<sup>119</sup> Domestically, it banned fuel exports, imposed its largest retail price hike since 2022,<sup>120</sup> and cut Sinopec runs 10 percent to block a global shock from hitting home.<sup>121</sup> Inventories are depleting at 3.4 million barrels per day, and the only crude still arriving flows at Tehran's discretion.

Nor did the buffer eliminate the scramble for replacement barrels. It shifted the problem from immediate shortage to contested replenishment.

After Washington issued a 30-day waiver allowing Indian refiners to purchase stranded Russian crude, Indian buyers moved fastest, snapping up nearly 30 million barrels within less than a week and locking up most available April Urals cargoes.<sup>122</sup> The discounts on Russian crude that had fueled China's year-long accumulation campaign had completely eroded; sanctioned barrels now traded at premiums, and India's imports from Russia surged to a record 2.07 million barrels per day — exceeding the 1.76 million flowing to China.

The reserve purchased Beijing time, but on worse terms: it left China facing a tighter market, fiercer competition for replacement supply, and a diminished cushion if another crisis were to follow. That is why now is the optimal time to prevent Beijing from rebuilding the same strategic cushion before the next crisis breaks in a different strait closer to home.

## PART V: POLICY RECOMMENDATIONS

1. **Authorize Sanctions on Ports and Terminal Operators Receiving Shadow Fleet Cargo.** Congress should expand ongoing legislative efforts—including the SHADOW Fleet Sanctions Act of 2026 (S.2904)—to require the Department of the Treasury to identify foreign ports, terminal operators, logistics firms, and storage facilities that repeatedly receive cargo transported by sanctioned vessels. Such legislation should authorize the President to impose blocking sanctions under the International Emergency Economic Powers Act (IEEPA) against entities that knowingly facilitate the discharge, storage, or transshipment of sanctioned shadow fleet cargo, targeting the onshore infrastructure that enables the flow of discounted crude to competitors.
2. **Establish a Sanctions Evasion Whistleblower Reward Program.** Congress should require Treasury or Department of Justice to establish a whistleblower reward program, modeled on the False Claims Act's *qui tam* framework, for sanctions evasion in commodity trading, shipping, and trade finance. The program should authorize monetary awards, based on a percentage of penalties or forfeitures recovered, for individuals who provide original, credible, and actionable information leading to successful enforcement actions under IEEPA, the Bank Secrecy Act, or related authorities. The program should be accessible to foreign

nationals providing information from outside U.S. jurisdiction, as the most valuable sources are likely ship brokers, traders, and financial intermediaries operating in transshipment hubs such as Singapore, Hong Kong, Dubai, and Malaysia.

3. **Direct the CFTC to Investigate Systemic Commodity Market Manipulation.** Congress should direct the Commodity Futures Trading Commission (CFTC) to launch a formal investigation into whether the systematic purchasing and routing of steeply discounted Russian crude by foreign refiners constitutes actionable market manipulation. The CFTC should assess how these off-market transactions artificially depress global benchmark pricing, distort the competitive landscape, and unfairly disadvantage domestic U.S. refiners who remain fully compliant with Western sanctions and G7 price cap mechanisms.
4. **Direct FinCEN to Evaluate Section 311 Designations Against Closed-Loop Settlement Networks.** Congress should direct the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) to evaluate entities and transaction classes facilitating closed-loop settlement systems used to process payments for sanctioned energy trade under Section 311 of the USA PATRIOT Act (31 U.S.C. § 5318A). FinCEN should assess whether intermediary settlement vehicles, export credit guarantee providers, and associated correspondent accounts constitute a "primary money laundering concern" and consider imposing special measures authorized under 31 U.S.C. § 5318A(b).
5. **Prepare a Contingency Framework for Coordinated Supply Expansion.** While near-term action is constrained by instability in the Strait of Hormuz, the Administration should develop a long-term framework to coordinate with key OPEC+ producers — especially Saudi Arabia, the UAE, and Iraq — to expand supply once conditions stabilize. Sustained lower prices would compress the revenue flows that bind Russia and Iran to Chinese buyers and erode the discount arbitrage that makes sanctioned crude attractive. This approach would complement sanctions enforcement with market pressure, reducing the strategic leverage China derives from its position as the clearing market for sanctioned energy.

6. **Authorize and Appropriate Expanded U.S. Coast Guard Cyber Command Cyber Protection Team Capacity.** Congress should authorize additional Cyber Protection Teams (CPTs) within U.S. Coast Guard Cyber Command in the next Coast Guard Authorization Act and direct appropriations sufficient to recruit, train, and sustain them. No enacted legislation has codified or resourced the CPT expansion Force Design 2028 directs administratively.<sup>123</sup> Authorization language should establish a minimum CPT end-strength and require the Commandant to submit a resourcing plan aligning CPT growth with the Coast Guard's expanding sanctions enforcement and interdiction responsibilities.

---

<sup>1</sup> In the medieval period, “[s]ome castles kept a year’s supply of food or even more on hand, and the relatively small size of a thirteenth century garrison meant that in a prolonged siege the assailants rather than then besieged were confronted by a food supply problem,” *see* Life in a Medieval Castle (Gies and Gies, 1974).

<sup>2</sup> Oil: A Study of Wartime Policy and Administration (HMSO Official History of the Second World War, Payton-Smith, 1971).

<sup>3</sup> Oil: A Study of Wartime Policy and Administration (HMSO Official History of the Second World War, Payton-Smith, 1971).

<sup>4</sup> Investigation of Petroleum Resources in Relation to the National Welfare (U.S. Senate Special Committee Investigating Petroleum Resources, Final Report, 31 January 1947).

<sup>5</sup> Agreement on an International Energy Program (United Nations Treaty Series, No. 15664, 12 May 1977); Energy Policy and Conservation Act of 1975, Pub. L. No. 94-163, 89 Stat. 871 (codified as amended at 42 U.S.C. §§ 6201–6422).

<sup>6</sup> According to C4ADS, “[d]etermining the exact contribution of crude oil exports to Russian state coffers is challenging given Russia’s phasing out of crude export taxes in favor of oil extraction and additional profits taxes,” *see* Andrew Boling et al., Oil and Water, C4ADS (June 27, 2025), <https://c4ads.org/reports/oil-and-water/>; Vitaly Yermakov, Fiscal Flex: Russia’s oil and gas revenues in 2024, The Oxford Institute for Energy Studies (Feb. 2025),

<https://www.oxfordenergy.org/wpcms/wp-content/uploads/2025/02/Comment-Fiscal-Flex.pdf>;

Russia Crude Oil: Exports, CEIC (accessed May 15, 2025),

<https://www.ceicdata.com/en/indicator/russia/crude-oil-exports>; Country Analysis Brief: Russia, U.S. Energy Information Administration (Apr. 29, 2024),

[https://www.eia.gov/international/content/analysis/countries\\_long/russia/](https://www.eia.gov/international/content/analysis/countries_long/russia/).

<sup>7</sup> Oil in Iran’s 2025-2026 Budget: Deficit Concerns and Growing Militarization, Emirates Policy Center (Feb. 12, 2025), <https://epc.ae/en/details/featured/oil-in-iran-s-2025-2026-budget-deficit-concerns-and-growing-militarization>. Per Google, as of March 18, 2025, conversion value is 2.107 trillion toman converted to 21,070 Iranian Rial before conversion into U.S. dollars. *See also* Max Lin, US targets Iranian oil transshipment to further disrupt cargo flows to China, S&P Global Commodity Insights (Feb. 12, 2025), <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/021225-us-targets-iranian-oil-transshipment-to-further-disrupt-cargo-flows-to-china>; Aresu Eqbali and Robert Perkins, Iran exports first crude cargo outside the Persian Gulf as Israeli retaliation looms, S&P Global Commodity Insights (Oct. 18, 2024), <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/101824-iran-exports-first-crude-cargo-outside-the-persian-gulf-as-israeli-retaliation-looms>.

<sup>8</sup> According to C4ADS, “[w]hile little explicit public reporting exists on the percentage of Venezuela’s crude exported by sea, the near-matching monthly figures of total crude exports and tanker crude exports coupled with the country’s lack of transnational oil pipelines imply near-total dependence on

---

the maritime sector for crude exports," *see* Andrew Boling et al., *Oil and Water*, C4ADS (June 27, 2025), <https://c4ads.org/reports/oil-and-water/>; *Venezuela Crude Oil: Exports*, CEIC (accessed May 15, 2025), <https://www.ceicdata.com/en/indicator/venezuela/crude-oil-exports>; Mircely Guanipa and Marianna Parraga, *Venezuelan oil exports fall on US sanctions, lower sales to Asia*, Reuters (May 2, 2024), <https://www.reuters.com/markets/commodities/venezuelan-oil-exports-fall-us-sanctions-lower-sales-asia-2024-05-02/>.

<sup>9</sup> *Building a Strong Energy Nation*, Xinhua (Feb. 2, 2026).

<sup>10</sup> Guy C.K. Leung et al., *Securitization of Energy Supply Chains in China*, *Applied Energy* at 316-26 (2014).

<sup>11</sup> Xi Jinping [习近平], *Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects* [高举中国特色社会主义伟大旗帜为全面建设社会主义现代化国家而团结奋斗——在中国共产党第二十次全国代表大会上的报告], Report to the 20th National Congress of the Chinese Communist Party (Oct. 16, 2022), [https://www.mfa.gov.cn/web/ziliao\\_674904/zt\\_674979/dnzt\\_674981/qtzt/twwt/xjzsjstzyjh/202304/t20230410\\_11057003.html](https://www.mfa.gov.cn/web/ziliao_674904/zt_674979/dnzt_674981/qtzt/twwt/xjzsjstzyjh/202304/t20230410_11057003.html); (Quote of the Day) *We Must Hold the Energy Rice Bowl with Our Own Hands* [【每日一习话】能源的饭碗必须端在自己手里], *People's Daily* (Nov. 21, 2021), <http://politics.people.com.cn/n1/2021/1121/c1001-32287808.html>.

<sup>12</sup> *Energy Stockpiling as a China Strategic Warning Indicator* (Collins, Baker Institute for Public Policy, testimony to the U.S.-China Economic and Security Review Commission, 13 June 2024).

<sup>13</sup> For Iran, *see* Executive Order 13846 of August 6, 2018, *Reimposing Certain Sanctions With Respect to Iran*, Department of the Treasury, Office of Foreign Assets Control (Aug. 6, 2018), <https://ofac.treasury.gov/media/931456/download?inline>; Executive Order 13886 of September 9, 2019, *Modernizing Sanctions to Combat Terrorism*, Department of the Treasury, Office of Foreign Assets Control (Sep. 9, 2019), <https://ofac.treasury.gov/system/files/2024-11/13886.pdf>; National Security Presidential Memorandum on Imposing Maximum Pressure on the Government of the Islamic Republic of Iran, Denying Iran All Paths to a Nuclear Weapon, and Countering Iran's Malign Influence, NSPM-2 (Feb. 4, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/national-security-presidential-memorandum-nspm-2/>. For Venezuela, *see* *Venezuela-Related Sanctions: Executive Orders*, Department of State (accessed May 15, 2025), <https://www.state.gov/venezuela-related-sanctions/>; J. William Carpenter, *The Biggest Oil Producers in Latin America*, *Investopedia* (Dec. 5, 2019), <https://www.investopedia.com/articles/investing/101315/biggest-oil-producers-latin-america.asp>; *Sanctions List Search*, Office of Foreign Assets Control (accessed on Dec. 16, 2025), <https://sanctionssearch.ofac.treas.gov/>; Exec. Order No. 14,245, *Imposing Tariffs on Countries Importing Venezuelan Oil*, 90 Fed. Reg. (Mar. 24, 2025), <https://www.whitehouse.gov/presidential-actions/2025/03/imposing-tariffs-on-countries-importing-venezuelan-oil/>; For example, *see* Exec. Order No. 13,692, *Blocking Property and Suspending Entry of Certain Persons Contributing to the Situation in Venezuela*, 80 Fed. Reg. 12,747 (Mar. 8, 2015); Exec. Order No. 13,808, *Imposing Additional Sanctions with Respect to the Situation in Venezuela*, 82 Fed. Reg. 41,155 (Aug. 24, 2017); Exec. Order No. 13,850, *Blocking Property of Additional Persons Contributing to the Situation in Venezuela*, 83 Fed. Reg. 55,243 (Nov. 1, 2018); Exec. Order No. 13,884, *Blocking Property of the Government of Venezuela*, 84 Fed. Reg. 38,843 (Aug. 5, 2019); Exec. Order No. 14,245, *Imposing Tariffs on Countries Importing Venezuelan Oil*, 90 Fed. Reg. \_\_\_ (Mar. 24, 2025). For additional information, *see* *Venezuela: Overview of U.S. Sanctions Policy*, Library of Congress (Mar. 18, 2025), <https://www.congress.gov/crs-product/IF10715>.

<sup>14</sup> U.S. Energy Information Administration, *International Energy Statistics* (accessed February 2025).

<sup>15</sup> Erika Szyszczak, *Sanctions effectiveness: what lessons three years into the war on Ukraine?*, *Economics Observatory* (Feb. 19, 2025), <https://www.economicsobservatory.com/sanctions-effectiveness-what-lessons-three-years-into-the-war-on-ukraine/>; Council of the European Union, *EU sanctions against Russia, Timeline* (accessed Jan. 6, 2026), <https://www.consilium.europa.eu/en/policies/sanctions-against-russia/timeline-sanctions-against-russia/>; *Treasury Intensifies Sanctions Against Russia by Targeting Russia's Oil Production and Exports*, U.S. Dep't of the Treasury (Jan. 10, 2025), <https://home.treasury.gov/news/press-releases/jy2777>; *Financial Sanctions Notice: Russia*, HM Treasury, Office of Fin. Sanctions Implementation (Jan. 10, 2025), [https://assets.publishing.service.gov.uk/media/678123d261e7988536018435/Notice\\_Russia\\_100125.pdf](https://assets.publishing.service.gov.uk/media/678123d261e7988536018435/Notice_Russia_100125.pdf); *Questions and Answers on the Sixteenth Package of Restrictive Measures Against Russia*, European Commission (Feb. 23, 2025), [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_25\\_586](https://ec.europa.eu/commission/presscorner/detail/en/qanda_25_586); *EU Adopts 17th Sanctions Package Against Russia*, European Commission (May 19, 2025),

---

[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_25\\_1249](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1249); EU adopts 18th package of sanctions against Russia, European Commission (July 18, 2025), [https://finance.ec.europa.eu/news/eu-adopts-18th-package-sanctions-against-russia-2025-07-18\\_en](https://finance.ec.europa.eu/news/eu-adopts-18th-package-sanctions-against-russia-2025-07-18_en); 19th package of sanctions against Russia: EU targets Russian energy, third-country banks and crypto providers (Oct. 23, 2025), <https://www.consilium.europa.eu/en/press/press-releases/2025/10/23/19th-package-of-sanctions-against-russia-eu-targets-russian-energy-third-country-banks-and-crypto-providers/>; Huge blow for Putin’s war machine as UK sanctions Russian oil, UK Foreign, Commonwealth & Development Office (Oct. 15, 2025), <https://www.gov.uk/government/news/huge-blow-for-putins-war-machine-as-uk-sanctions-russian-oil>; Treasury Sanctions Major Russian Oil Companies, Calls on Moscow to Immediately Agree to Ceasefire, U.S. Dep’t of the Treasury (Oct. 22, 2025), <https://home.treasury.gov/news/press-releases/sb0290>; Council Regulation (EU) 2025/2033 of 23 October 2025 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia’s actions destabilising the situation in Ukraine, 2025 O.J. (L 2033), <http://data.europa.eu/eli/reg/2025/2033/oj>.

<sup>16</sup> Sing Yee Ong, Global 2025 LNG exports saw biggest jump in three years—Kpler, Bloomberg (Dec. 29, 2025), <https://www.bloomberg.com/news/articles/2025-12-30/global-2025-lng-exports-saw-biggest-jump-in-3-years-kpler-says>.

<sup>17</sup> While U.S. sanctions guidance has most frequently addressed Iranian and Russian crude exports, the United States has not adopted a single, comprehensive statutory definition of the “shadow fleet.” As used here, this definition reflects consistent usage across U.S. government enforcement, regulatory, and analytical materials describing vessels engaged in sanctions evasion through deceptive or non-transparent maritime practices. *See* Sanctions Advisory for the Maritime Industry, Energy and Metals Sectors, and Related Communities, Dep’t of the Treasury, Dep’t of State & U.S. Coast Guard (May 14, 2020), <https://ofac.treasury.gov/media/37751/download?inline>; Guidance for Shipping and Maritime Stakeholders on Detecting and Mitigating Iranian Oil Sanctions Evasion, U.S. Dep’t of the Treasury, Off. of Foreign Assets Control (Apr. 16, 2025) at 2, <https://ofac.treasury.gov/media/934236/download?inline>; SHADOW Fleet Sanctions Act of 2025, S. 2904, 119th Cong. (introduced Sept. 18, 2025), <https://www.congress.gov/bill/119th-congress/senate-bill/2904/text>; John Frittelli, The Global Oil Tanker Market: An Overview as It Relates to Sanctions, Cong. Rsch. Serv. (Mar. 18, 2024) at 1, 5 (Mar. 18, 2024), <https://www.congress.gov/crs-product/R47962>; Advisory on the Iranian Regime’s Illicit Oil Smuggling Activities, Shadow Banking Networks, and Weapons Procurement Efforts, Fin. Crimes Enf’t Network (June 6, 2025), <https://www.fincen.gov/system/files/FinCEN-Advisory-Illicit-Oil-Smuggling-508.pdf>; Int’l Mar. Org. [IMO], Urging Member States and All Relevant Stakeholders to Promote Actions to Prevent Illegal Operations in the Maritime Sector by the “Dark Fleet” or “Shadow Fleet”, Res. A.1192(33), at 3 (Dec. 6, 2023), [https://wwwcdn.imo.org/localresources/en/KnowledgeCentre/IndexofIMOResolutions/AssemblyDocuments/A.1192\(33\).pdf](https://wwwcdn.imo.org/localresources/en/KnowledgeCentre/IndexofIMOResolutions/AssemblyDocuments/A.1192(33).pdf); UK Prime Minister’s Office & Foreign, Commonwealth & Development Office, The “Shadow Fleet”: A Call to Action (July 19, 2024, updated Nov. 28, 2024), <https://www.gov.uk/government/publications/the-shadow-fleet-a-call-to-action>.

<sup>18</sup> Kpler.

<sup>19</sup> Kpler.

<sup>20</sup> Kpler. Also, *see* Dark fleet vessel counts vary by source and methodology: Windward’s Maritime AI™ platform identified approximately 1,300 dark fleet vessels as of May 2024, while TankerTrackers.com identified 1,481 active dark fleet vessels as of January 2026. *See* Dark Fleet Stats, TankerTrackers.com (accessed on Jan. 12, 2026), <https://tankertrackers.com/report/darkfleetinfo>; UPDATED: Illuminating Russia’s Shadow Fleet, Windward & Vortexa (accessed on Jan. 12, 2026), <https://windward.ai/knowledge-base/illuminating-russias-shadow-fleet/>; Int’l Mar. Org. [IMO], Urging Member States and All Relevant Stakeholders to Promote Actions to Prevent Illegal Operations in the Maritime Sector by the “Dark Fleet” or “Shadow Fleet”, Res. A.1192(33), at 3 (Dec. 6, 2023),

[https://wwwcdn.imo.org/localresources/en/KnowledgeCentre/IndexofIMOResolutions/AssemblyDocuments/A.1192\(33\).pdf](https://wwwcdn.imo.org/localresources/en/KnowledgeCentre/IndexofIMOResolutions/AssemblyDocuments/A.1192(33).pdf); Dark and Gray Fleets, Windward (accessed on Jan. 12, 2026), <https://windward.ai/glossary/what-is-the-dark-fleet/>.

<sup>21</sup> Kpler. Annualized, shadow and sanctioned tankers delivered approximately 1.25 billion barrels of crude to China in 2025, along with roughly 82 million barrels of dirty petroleum products and 67 million barrels of chemical and biological cargo.

- 
- <sup>22</sup> Andrew Boling et al., Oil and Water, C4ADS (June 27, 2025), <https://c4ads.org/reports/oil-and-water/>.
- <sup>23</sup> Andrew Boling et al., Oil and Water, C4ADS (June 27, 2025), <https://c4ads.org/reports/oil-and-water/>.
- <sup>24</sup> Andrew Boling et al., Oil and Water, C4ADS (June 27, 2025), <https://c4ads.org/reports/oil-and-water/>.
- <sup>25</sup> Kpler.
- <sup>26</sup> Kpler.
- <sup>27</sup> Kpler.
- <sup>28</sup> Erica Downs, Where China Gets Its Oil: Crude Imports in 2025 Reveal Stockpiling and Changing Fortunes of Certain Suppliers, Including Those Sanctioned, Center on Global Energy Policy (Jan. 29, 2026), <https://www.energypolicy.columbia.edu/where-china-gets-its-oil-crude-imports-in-2025-reveal-stockpiling-and-changing-fortunes-of-certain-suppliers-including-those-sanctioned/>.
- <sup>29</sup> Kpler.
- <sup>30</sup> Kpler.
- <sup>31</sup> Notice on Issues Concerning the Administration of Imported Crude Oil Usage [国家发展改革委关于进口原油使用管理有关问题的通知], National Development and Reform Commission (NDRC) [国家发展改革委] (Feb. 16, 2015), [https://www.ndrc.gov.cn/xwdt/gdzt/dflcjky/201502/t20150216\\_1200337.html](https://www.ndrc.gov.cn/xwdt/gdzt/dflcjky/201502/t20150216_1200337.html); Chen Qiuchen [陈秋祺] & Cheng Feng [程枫], China's Refining Industry (Part I): The New Landscape of Independent Refineries in the Era of Large-Scale Refining [中国炼油行业研究 (上) —— 大炼化时代的地炼新格局], CEBM Research [莫尼塔研究] at 12 (Oct. 26, 2018), [http://pdf.dfcfw.com/pdf/H3\\_AP201810301225113010\\_1.PDF](http://pdf.dfcfw.com/pdf/H3_AP201810301225113010_1.PDF); Cheryl Chia, I'm a (Not So) Little Teapot - The Surprising Influence of China's Independent Refineries, RBN Energy (July 25, 2017), <https://rbnenergy.com/daily-posts/blog/surprising-influence-chinas-independent-refineries>; Julien Mathonniere, Is China Driving the Oil Markets?, ICIS White Paper (Nov. 2017), <https://s3-eu-west-1.amazonaws.com/cjp-rbi-icis/wp-content/uploads/sites/7/2018/09/02190740/is-china-driving-the-global-oil-markets.pdf>; China's independent "teapot" refineries can process up to four million barrels per day, equivalent to one-fifth of China's total refining capacity. By comparison, the ten refineries in the Houston metro area can process up to 2.6 million barrels per day. Ron Bousso, Lifting US Sanctions on Iran Could Crush China's 'Teapot' Oil Refineries, Reuters (May 19, 2025), <https://www.reuters.com/business/energy/lifting-us-sanctions-iran-could-crush-chinas-teapot-oil-refineries-bousso-2025-05-19/#:~:text=Chinese%20privately%20owned%20refineries%2C%20commonly,oil%20would%20be%20sold%20swiftly>; Brita Long, 4 Reasons Houston Is Critical to the Oil & Gas Industry, Insight Global (Aug. 2, 2024), <https://insightglobal.com/blog/houston-oil-gasindustry/>; Chen Aizhu & Florence Tan, China's teapot refining hub seeks to stop crude quota trading, Reuters (Aug. 4, 2021), <https://www.reuters.com/world/china/chinas-teapot-refining-hub-seeks-stop-crude-quota-trading-2021-08-04/>.
- <sup>32</sup> Notice on Issues Concerning the Administration of Imported Crude Oil Use [关于进口原油使用管理有关问题的通知], National Development and Reform Commission [国家发展改革委] (Feb. 25, 2016), [https://www.ndrc.gov.cn/xwdt/gdzt/dflcjky/201602/t20160225\\_1200828\\_ext.html](https://www.ndrc.gov.cn/xwdt/gdzt/dflcjky/201602/t20160225_1200828_ext.html). In response to fragmented buying power after import rights were opened, 16 Shandong-based teapot refiners formed a state-tolerated crude purchasing alliance in 2016 to pool quotas, avoid "disorderly bidding," and strengthen their negotiating leverage, *see* Shandong, Liaoning, and Ningxia Teapot Refineries Approved to Use Imported Crude Oil in 2015 [2015年山东、辽宁、宁夏地炼企业获准使用进口原油], Nat'l Dev. & Reform Comm'n [运行局] (Feb. 25, 2016), [https://sdb.nea.gov.cn/dtyw/hyxx/202309/t20230919\\_112408.html](https://sdb.nea.gov.cn/dtyw/hyxx/202309/t20230919_112408.html); China's "teapot" province to establish refining conglomerate, Xinhua (Sept. 01, 2017), <http://en.people.cn/n3/2017/0901/c90000-9263464.html>; Chen Aizhu & Florence Tan, China's teapot refining hub seeks to stop crude quota trading, Reuters (Aug. 4, 2021), <https://www.reuters.com/world/china/chinas-teapot-refining-hub-seeks-stop-crude-quota-trading-2021-08-04/>.
- <sup>33</sup> Kpler; Brian Spegele, How China Curbed Its Oil Addiction — and Blunted a U.S. Pressure Point, The Wall Street Journal (July 21, 2025), [https://www.wsj.com/world/china/china-oil-demand-lower-b5ae15ed?st=yztuHe&reflink=desktopwebshare\\_permalink](https://www.wsj.com/world/china/china-oil-demand-lower-b5ae15ed?st=yztuHe&reflink=desktopwebshare_permalink).
- <sup>34</sup> Kpler.
- <sup>35</sup> Press Release, Treasury Increases Pressure on Chinese Importers of Iranian Oil, U.S. Dep't of the Treasury (Apr. 16, 2025), <https://home.treasury.gov/news/press-releases/sb0090>; Treasury Increases

---

Pressure on Chinese Importers of Iranian Oil, U.S. Dep't of the Treasury (Apr. 16, 2025), <https://ofac.treasury.gov/media/934236/download?inline>.

<sup>36</sup> Ron Bouso, Holes in EU Russia sanctions put attention back on Trump oil threat, Reuters (July 22, 2025), <https://www.reuters.com/markets/commodities/holes-eu-russia-sanctions-put-attention-back-trump-oil-threat-2025-07-22/>.

<sup>37</sup> Turkey cuts Russian Urals oil imports in November, diversifies with Kazakh, Iraqi supply, Reuters (Dec. 1, 2025), <https://www.reuters.com/business/energy/turkey-cuts-russian-urals-oil-imports-november-diversifies-with-kazakh-iraqi-2025-12-01/>; Nidhi Verma, India's Russian oil binge to end in December as sanctions bite, sources say, Reuters (Nov. 25, 2025),

<https://www.reuters.com/business/energy/indias-russian-oil-binge-end-december-sanctions-bite-sources-say-2025-11-25/>; Russian Oil Finds Fewer Takers in China After Hit From Sanctions, Bloomberg (Nov. 2, 2025), <https://www.bloomberg.com/news/articles/2025-11-02/russian-oil-finds-fewer-takers-in-china-after-hit-from-sanctions?embedded-checkout=true>.

<sup>38</sup> Office of Mgmt. & Budget, Statement of Administration Policy on S.J. Res. 98, A Joint Resolution to Direct the Removal of United States Armed Forces from Hostilities Within or Against Venezuela That Have Not Been Authorized by Congress (Jan. 8, 2026), <https://www.whitehouse.gov/wp-content/uploads/2026/01/SAP-SJR98.pdf>.

<sup>39</sup> Chen Aizhu, Florence Tan & Siyi Liu, Exclusive: China state oil majors suspend Russian oil buys due to sanctions, sources say, Reuters (Oct. 23, 2025), <https://www.reuters.com/business/energy/china-state-oil-majors-suspend-russian-oil-buys-due-sanctions-sources-say-2025-10-23/>.

<sup>40</sup> Russian Oil Finds Fewer Takers in China After Hit From Sanctions, Bloomberg (Nov. 2, 2025), <https://www.bloomberg.com/news/articles/2025-11-02/russian-oil-finds-fewer-takers-in-china-after-hit-from-sanctions?embedded-checkout=true>.

<sup>41</sup> China's teapots boost Russian ESPO buying amid record discounts, traders say, Reuters (Dec. 23, 2025), <https://www.reuters.com/business/energy/chinas-teapots-boost-russian-espo-buying-amid-record-discounts-traders-say-2025-12-23/>; Russian oil exports to China surge in January as India, Turkey cut buying, data shows, Reuters (Jan. 23, 2026), <https://www.reuters.com/business/energy/russian-oil-exports-china-surge-january-india-turkey-cut-buying-data-shows-2026-01-23/>.

<sup>42</sup> Rong Wei Neo & Serene Cheong, Flagship Russian Oil Sinks in China After India Buyers Pull Back, Bloomberg (Jan. 21, 2026), <https://www.bloomberg.com/news/articles/2026-01-22/flagship-russian-oil-sinks-in-china-after-india-buyers-pull-back>; Chen Aizhu, Muyu Xu & Florence Tan, Russian oil exports to China surge in January as India, Turkey cut buying, data shows, Reuters (Jan. 23, 2026), <https://www.reuters.com/business/energy/russian-oil-exports-china-surge-january-india-turkey-cut-buying-data-shows-2026-01-23/>; Julian Lee & Rong Wei Neo, China Snaps Up Distressed Russian Oil Cargoes Shunned by India, Bloomberg (Feb. 20, 2026), <https://www.bloomberg.com/news/articles/2026-02-20/china-snaps-up-distressed-russian-oil-cargoes-shunned-by-india>.

<sup>43</sup> Kpler. For more context, *see* Serene Cheong, Sanctions Are Tangling, Not Stopping, China's Iran Oil Trade, Bloomberg (Mar. 8, 2025), <https://www.bloomberg.com/news/articles/2025-03-08/oil-us-sanctions-are-tangling-not-stopping-china-s-trade-with-iran>; China's heavy reliance on Iranian oil imports, Reuters (Jan. 13, 2026), <https://www.reuters.com/business/energy/chinas-heavy-reliance-iranian-oil-imports-2026-03-21/>.

<sup>44</sup> Kpler. For more context, *see* Marianna Parraga, Venezuela faces demands for big oil discounts and contract changes after tanker seizure, Reuters (Dec. 16, 2025), <https://www.reuters.com/business/energy/venezuela-faces-big-oil-discounts-pressure-contract-changes-after-tanker-seizure-2025-12-16/>.

<sup>45</sup> China accelerates oil reserve site build amid stockpiling drive, Reuters (Oct. 7, 2025), <https://www.reuters.com/business/energy/china-accelerates-oil-reserve-site-build-amid-stockpiling-drive-2025-10-07/>.

<sup>46</sup> Sean Hill & Jimmy Troderman, EIA forecasts lower oil prices in 2026 and 2027 due to persistent stock builds, U.S. Energy Information Administration (Feb. 11, 2026), <https://www.eia.gov/todayinenergy/detail.php?id=67164>.

<sup>47</sup> Weekly Petroleum Status Report, U.S. Energy Information Administration (Mar. 13, 2026), <https://www.eia.gov/petroleum/supply/weekly/>.

---

<sup>48</sup> Rebecca M. Nelson & Karen M. Sutter, De-Dollarization Efforts in China and Russia, Congressional Research Service (July 23, 2021),

[https://www.congress.gov/crs\\_external\\_products/IF/PDF/IF11885/IF11885.4.pdf](https://www.congress.gov/crs_external_products/IF/PDF/IF11885/IF11885.4.pdf).

<sup>49</sup> Anna Hirtenstein, The Dominant Dollar Faces a Backlash in the Oil Market, *The Wall Street Journal* (Dec. 28, 2023), [https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-](https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-0f151e28?gaa_at=eafs&gaa_n=AWetsqfYg_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa_ts=69a5faad)

[0f151e28?gaa\\_at=eafs&gaa\\_n=AWetsqfYg\\_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa\\_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-](https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-0f151e28?gaa_at=eafs&gaa_n=AWetsqfYg_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa_ts=69a5faad)

[1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa\\_ts=69a5faad;](https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-0f151e28?gaa_at=eafs&gaa_n=AWetsqfYg_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa_ts=69a5faad) Anna Hirtenstein, The Dominant Dollar Faces a Backlash in the Oil Market, *The Wall Street Journal* (Dec. 28, 2023), [https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-](https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-0f151e28?gaa_at=eafs&gaa_n=AWetsqfYg_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa_ts=69a5faad)

[0f151e28?gaa\\_at=eafs&gaa\\_n=AWetsqfYg\\_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa\\_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-](https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-0f151e28?gaa_at=eafs&gaa_n=AWetsqfYg_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa_ts=69a5faad)

[1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa\\_ts=69a5faad.](https://www.wsj.com/finance/currencies/the-dominant-dollar-faces-a-backlash-in-the-oil-market-0f151e28?gaa_at=eafs&gaa_n=AWetsqfYg_UENqXS2IIFfZSZEIXqUt81nucpulWZpj7H3RFfbri85kqCQc&gaa_sig=HPoumrD25lw0Jmyh7XIKkOdxj4agJYd-1wt3hpIgHOdsxOnfs5IOMsBfHNxkP6bQpJYNwGzCv1OLxBkZF5XgeQ%3D%3D&gaa_ts=69a5faad)

<sup>50</sup> Kevin Kinnee, Previously Sanctioned Tanker “Oman Pride” Returns to Old Tricks, Highlighting U.S. Sanctions Challenges, *Maritime Traffic* (Aug. 5, 2024), <https://www.marinetraffic.com/el/maritime-news/34/risk-and%20compliance/2024/11378/sanctioned-tanker-oman-pride-returns-to-old-tricks-highlight>.

<sup>51</sup> Press Release, Treasury Dismantles Key Elements of Iran’s Energy Export Machine, U.S.

Department of the Treasury’s Office of Foreign Assets Control (Oct. 9, 2025),

<https://home.treasury.gov/news/press-releases/sb0275>.

<sup>52</sup> Luc Cohen & Marianna Parraga, Special Report: How China got shipments of Venezuelan oil despite U.S. sanctions, *Reuters* (June 12, 2020), <https://www.reuters.com/article/world/special-report-how-china-got-shipments-of-venezuelan-oil-despite-us-sanctions-idUSKBN23J1N6/>.

<sup>53</sup> Chen Aizhu, Traders rebrand Venezuelan oil for China as Brazilian, sources and tanker trackers say, *Reuters* (May 12, 2025), <https://www.reuters.com/business/energy/traders-rebrand-venezuelan-oil-china-brazilian-sources-tanker-trackers-say-2025-05-12/>.

<sup>54</sup> Chen Aizhu, Traders rebrand Venezuelan oil for China as Brazilian, sources and tanker trackers say, *Reuters* (May 12, 2025), <https://www.reuters.com/business/energy/traders-rebrand-venezuelan-oil-china-brazilian-sources-tanker-trackers-say-2025-05-12/>.

<sup>55</sup> Chen Aizhu, Traders rebrand Venezuelan oil for China as Brazilian, sources and tanker trackers say, *Reuters* (May 12, 2025), <https://www.reuters.com/business/energy/traders-rebrand-venezuelan-oil-china-brazilian-sources-tanker-trackers-say-2025-05-12/>.

<sup>56</sup> Translation, Joint Statement of the Russian Federation and the People’s Republic of China on the International Relations Entering a New Era and the Global Sustainable Development, China Aerospace Studies Institute (Feb. 4, 2022),

<https://www.airuniversity.af.edu/CASI/Display/Article/2923495/itow-china-russia-joint-statement-on-international-relations-entering-a-new-era/>.

<sup>57</sup> Trade with China Mainly Settled in Yuan, Rubles: Russian Deputy PM, *Global Times* (Mar. 28,

2024); Teapots and Ghosts: The Economics behind China’s Russian Oil Imports, *Economist*

Intelligence Unit (May 16, 2025), [https://www.eiu.com/n/the-economics-behind-chinas-russian-oil-](https://www.eiu.com/n/the-economics-behind-chinas-russian-oil-imports/)

[imports/](https://www.eiu.com/n/the-economics-behind-chinas-russian-oil-imports/); China’s Crude Oil Imports Decreased from a Record as Refinery Activity Slowed, U.S.

Energy Information Administration (Feb. 11, 2025),

<https://www.eia.gov/todayinenergy/detail.php?id=64544>; Eric Yep, Factbox: A Look at Key Russia-

China Crude Oil Ties as Ukraine Crisis Rages, *S&P Global* (Mar. 8, 2022),

[https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/030122-](https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/030122-factbox-a-look-at-key-russia-china-crude-oil-ties-as-ukraine-crisis-rages)

[factbox-a-look-at-key-russia-china-crude-oil-ties-as-ukraine-crisis-rages.](https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/030122-factbox-a-look-at-key-russia-china-crude-oil-ties-as-ukraine-crisis-rages)

<sup>58</sup> Exclusive: ‘China Track’ Bank Netting System Shields Russia-China Trade from Western Eyes,

*Reuters* (Apr. 25, 2025), [https://www.reuters.com/business/finance/china-track-bank-netting-system-](https://www.reuters.com/business/finance/china-track-bank-netting-system-shields-russia-china-trade-western-eyes-2025-04-22/)

[shields-russia-china-trade-western-eyes-2025-04-22/](https://www.reuters.com/business/finance/china-track-bank-netting-system-shields-russia-china-trade-western-eyes-2025-04-22/); Graham Ayres & Lyndi Tsering, China’s

Facilitation of Sanctions and Export Control Evasion, U.S.-China Economic and Security Review

Commission (Nov. 14, 2025), [https://www.uscc.gov/sites/default/files/2025-](https://www.uscc.gov/sites/default/files/2025-11/Chinas_Facilitation_of_Sanctions_and_Export_Control_Evasion.pdf)

[11/Chinas\\_Facilitation\\_of\\_Sanctions\\_and\\_Export\\_Control\\_Evasion.pdf](https://www.uscc.gov/sites/default/files/2025-11/Chinas_Facilitation_of_Sanctions_and_Export_Control_Evasion.pdf).

<sup>59</sup> Anna Hirtenstein & Chen Aizhu, Russia Leans on Cryptocurrencies for Oil Trade, *Sources Say*,

*Reuters* (Mar. 14, 2025), [https://www.reuters.com/business/energy/russia-leans-cryptocurrencies-oil-](https://www.reuters.com/business/energy/russia-leans-cryptocurrencies-oil-trade-sources-say-2025-03-14/)

[trade-sources-say-2025-03-14/](https://www.reuters.com/business/energy/russia-leans-cryptocurrencies-oil-trade-sources-say-2025-03-14/); Russia Is Using Bitcoin in Foreign Trade, Finance Minister Says,

*Reuters* (Dec. 25, 2024), <https://www.reuters.com/markets/currencies/russia-is-using-bitcoin-foreign->

---

trade-finance-minister-says-2024-12-25/; John Kennedy et al., Russia's Use of Crypto Schemes, RAND (Aug. 7, 2025), <https://www.rand.org/pubs/commentary/2025/08/russias-use-of-crypto-schemes.html>; Junie Joseph, Digital Currencies and Cross-Border Payments: An Overview, U.S. International Trade Commission (Apr. 2023),

[https://www.usitc.gov/publications/332/executive\\_briefings/ebot\\_digital\\_currency.pdf](https://www.usitc.gov/publications/332/executive_briefings/ebot_digital_currency.pdf); William Alan Reinsch & Andrea Leonard Palazzi, Cryptocurrencies and U.S. Sanctions Evasion: Implications for Russia, Center for Strategic & International Studies (Dec. 20, 2022),

<https://www.csis.org/analysis/cryptocurrencies-and-us-sanctions-evasion-implications-russia>.

<sup>60</sup> Graham Ayres & Lyndi Tsering, China's Facilitation of Sanctions and Export Control Evasion, U.S.-China Economic and Security Review Commission (Nov. 14, 2025),

[https://www.uscc.gov/sites/default/files/2025-](https://www.uscc.gov/sites/default/files/2025-11/Chinas_Facilitation_of_Sanctions_and_Export_Control_Evasion.pdf)

[11/Chinas\\_Facilitation\\_of\\_Sanctions\\_and\\_Export\\_Control\\_Evasion.pdf](https://www.uscc.gov/sites/default/files/2025-11/Chinas_Facilitation_of_Sanctions_and_Export_Control_Evasion.pdf).

<sup>61</sup> China's National Development and Reform Commission, China Export & Credit Insurance Corporation,

<https://web.archive.org/web/20251016171741/https://eng.yidaiyilu.gov.cn/z/230720-2/index.shtml>.

<sup>62</sup> Laurence Norman & James T. Areddy, How China Secretly Pays Iran for Oil and Avoids U.S. Sanctions, The Wall Street Journal (Oct. 5, 2025), <https://www.wsj.com/world/middle-east/how-china-secretly-pays-iran-for-oil-and-avoids-u-s-sanctions-b6f1b71e>; Chinese Cars for Iranian Copper: How Sanctions Revived Barter Trade, Bloomberg News (Oct. 6, 2025),

<https://www.bloomberg.com/news/features/2025-10-06/china-s-cars-for-iran-metals-how-sanctions-revived-barter-trade>; Max Meizlish & Saeed Ghasseminejad, China Is Supercharging Iran's Sanctions Evasion Strategy, Foundation for Defense of Democracies (Oct. 10, 2025),

<https://www.fdd.org/analysis/2025/10/10/china-is-supercharging-irans-sanctions-evasion-strategy/>.

<sup>63</sup> China's National Development and Reform Commission, China Export & Credit Insurance Corporation,

<https://web.archive.org/web/20251016171741/https://eng.yidaiyilu.gov.cn/z/230720-2/index.shtml>.

<sup>64</sup> Based on data from William & Mary's AidData platform.

<sup>65</sup> Shen Zewei, U.S. Capture of Maduro Is a Warning to China and Russia. Background Involves Oil War, Resource War, Currency War [美国活捉马杜罗警告中俄 背后涉石油战、资源战、货币战], Lianhe Zaobao (Jan. 6, 2026),

<https://web.archive.org/web/20260108202045/https://www.zaobao.com.sg/news/china/story20260106-8056645>; What Impact? Oil and Mineral Currency Settlements, Chain Reaction Extends Globally [啥影响 石油矿产货币结算 连锁反应蔓延全球], Chongqing Morning Post (Jan. 5, 2026),

<https://web.archive.org/web/20260104173321/https://finance.sina.com.cn/jjxw/2026-01-05/doc-inhfeknh7271584.shtml>; With Dollars Scarce, Venezuela Currency Exchanges Turn to Crypto, Reuters (Sep. 3, 2025), <https://www.reuters.com/business/energy/with-dollars-scarce-venezuela-currency-exchanges-turn-crypto-2025-09-03>.

<sup>66</sup> Shen Zewei, U.S. Capture of Maduro Is a Warning to China and Russia. Background Involves Oil War, Resource War, Currency War [美国活捉马杜罗警告中俄 背后涉石油战、资源战、货币战], Lianhe Zaobao (Jan. 6, 2026),

<https://web.archive.org/web/20260108202045/https://www.zaobao.com.sg/news/china/story20260106-8056645>; What Impact? Oil and Mineral Currency Settlements, Chain Reaction Extends Globally [啥影响 石油矿产货币结算 连锁反应蔓延全球], Chongqing Morning Post (Jan. 5, 2026),

<https://web.archive.org/web/20260104173321/https://finance.sina.com.cn/jjxw/2026-01-05/doc-inhfeknh7271584.shtml>; With Dollars Scarce, Venezuela Currency Exchanges Turn to Crypto, Reuters (Sep. 3, 2025), <https://www.reuters.com/business/energy/with-dollars-scarce-venezuela-currency-exchanges-turn-crypto-2025-09-03>.

<sup>67</sup> Specifically, it says: “针对俄罗斯、伊朗等收付汇困难的国家，探索新型贸易结算方式，在保证企业交易真实性和合规性的前提下，推动中外贸易结算方式的多元化,” see Reply to Proposal No. 2025J1026 of the First Session of the Fifth Meeting of the 17th Wenling Municipal People's Congress [关于对市人大第十七届五次次会议第2025J1026号提案的答复], Wenling Municipal People's Government Financial Work Center [温岭市人民政府金融工作中心] (June 9, 2025), [https://web.archive.org/web/20260125001817/https://zjjcmspublic.oss-cn-hangzhou-zwyne-d01-a.internet.cloud.zj.gov.cn/jcms\\_files/jcms1/web2760/site/attach/0/62a12a50c1d9431d8ee41cd3e0bbba78.pdf](https://web.archive.org/web/20260125001817/https://zjjcmspublic.oss-cn-hangzhou-zwyne-d01-a.internet.cloud.zj.gov.cn/jcms_files/jcms1/web2760/site/attach/0/62a12a50c1d9431d8ee41cd3e0bbba78.pdf).

<sup>68</sup> Specifically, it says: “针对俄罗斯、伊朗等收付汇困难的国家，探索新型贸易结算方式，在保证企业交易真实性和合规性的前提下，推动中外贸易结算方式的多元化,” see Reply to Proposal No. 2025J1026 of the First Session of the Fifth Meeting of the 17th Wenling Municipal People's Congress [关于对市人

---

大第十七届五次会议第2025J1026号提案的答复], Wenling Municipal People's Government Financial Work Center [温岭市人民政府金融工作中心] (June 9, 2025), [https://web.archive.org/web/20260125001817/https://zjcmspublic.oss-cn-hangzhou-zwynet-d01-a.internet.cloud.zj.gov.cn/jcms\\_files/jcms1/web2760/site/attach/0/62a12a50c1d9431d8ee41cd3e0bbba78.pdf](https://web.archive.org/web/20260125001817/https://zjcmspublic.oss-cn-hangzhou-zwynet-d01-a.internet.cloud.zj.gov.cn/jcms_files/jcms1/web2760/site/attach/0/62a12a50c1d9431d8ee41cd3e0bbba78.pdf).

<sup>69</sup> Wang Lei Chairs Citywide Foreign Trade Situation Analysis Meeting [王铺主持召开全市外贸形势分析会], Suifenhe Today [今日绥芬河] (July 25, 2025), [https://suifenhe.gov.cn/sfh/c100958/202507/c03\\_1013042.shtml](https://suifenhe.gov.cn/sfh/c100958/202507/c03_1013042.shtml).

<sup>70</sup> Translation, Joint Statement of the Russian Federation and the People's Republic of China on the International Relations Entering a New Era and the Global Sustainable Development, China Aerospace Studies Institute (Feb. 4, 2022), <https://www.airuniversity.af.edu/CASI/Display/Article/2923495/itow-china-russia-joint-statement-on-international-relations-entering-a-new-era/>; China and Russia Signed a Cooperation Agreement on Time Interoperability Between the BeiDou and GLONASS Global Navigation Satellite Systems [中俄签署关于北斗和格洛纳斯全球卫星导航系统时间互操作的合作协议], Xinhua News Agency (Feb. 5, 2022), [http://www.beidou.gov.cn/zt/gfhd/202211/t20221123\\_25470.html](http://www.beidou.gov.cn/zt/gfhd/202211/t20221123_25470.html); Kelly Campa et al, Adversary Entente Task Force Update, August 6, 2025, Institute for the Study of War (Aug. 6, 2025), <https://understandingwar.org/research/adversary-entente/adversary-entente-task-force-update-august-6-2025/>.

<sup>71</sup> The committee notes that this architecture presents dual-use military implications beyond sanctions evasion, including precision weapons guidance and coordinated force projection.

<sup>72</sup> Tuvia Gering & Jason M. Brodsky, Not 'Business as Usual': The Chinese Military's Visit to Iran, Middle East Institute (May 16, 2022); The U.S. Is Really Anxious This Time; Iran Officially Activates BeiDou Navigation; Russia: No Longer Afraid of GPS Being Shut Off [美这次真急眼了, 伊朗正式启用北斗导航, 俄: 再也不怕GPS被关了], 63.com (Apr. 28, 2021), <https://www.163.com/dy/article/G8MIO61P05159864.html>.

<sup>73</sup> Iran confirms GPS jamming, eyes switch to Chinese system, Iran International (July 14, 2025), <https://www.iranintl.com/en/202507149948>.

<sup>74</sup> Dimitri Tokmetzis et al, Russia's dark fleet goes darker as fears grow over arms smuggling and sanctions evasion, Follow the Money (Dec. 9, 2025), <https://www.ftm.eu/articles/switching-ais-off-shadow-fleet-going-even-darker?share=eawcnsbCel7kE0pVUr44NVKXixZpT1y5ffpgzgwBNNbhQs%2F8rQZkmGJcUb7uxds%3D>.

<sup>75</sup> U.S. Indo-Pacific Command, USINDOPACOM Legal Vigilance Update, Issue No. 33 (May 22, 2025), [https://www.pacom.mil/Portals/55/Documents/Legal/INDOPACOM%20Legal%20Vigilance%20Update%20\\_33%20\(May%2022%202025\).pdf?ver=RRwLVAsCTICZN3QS9o8NSg%3D%3D&timestamp=1753415899706](https://www.pacom.mil/Portals/55/Documents/Legal/INDOPACOM%20Legal%20Vigilance%20Update%20_33%20(May%2022%202025).pdf?ver=RRwLVAsCTICZN3QS9o8NSg%3D%3D&timestamp=1753415899706).

<sup>76</sup> Coast Guard: Additional Efforts Needed to Address Cybersecurity Risks to the Maritime Transportation System, U.S. Government Accountability Office (Feb. 11, 2025), <https://www.gao.gov/products/gao-25-107244>.

<sup>77</sup> Maritime Cyber Threat White Paper 2026, CYTUR (Feb. 19, 2026), [https://download.cytur.net/Maritime\\_Cyber\\_Threat\\_White\\_Paper\\_2026\\_eng.pdf](https://download.cytur.net/Maritime_Cyber_Threat_White_Paper_2026_eng.pdf).

<sup>78</sup> Julien Chesaux, Cyber Attacks at Sea: Blinding Warships, Cyber Defense Magazine (July 2020), <https://www.cyberdefensemagazine.com/cyber-attacks-at-sea-blinding-warships/>.

<sup>79</sup> Cyber Trends and Insights in the Marine Environment, U.S. Coast Guard Cyber Command (May 19, 2025), <https://www.news.uscg.mil/maritime-commons/Article/4189739/coast-guard-cyber-command-releases-2024-ctime-report/>.

<sup>80</sup> Coast Guard: Additional Efforts Needed to Address Cybersecurity Risks to the Maritime Transportation System, U.S. Government Accountability Office (Feb. 11, 2025), <https://www.gao.gov/products/gao-25-107244>; Robert Ackerman, Coast Guard Cyber Moves Closer to Defense Department, AFCEA International (Mar. 1, 2023), <https://www.afcea.org/signal-media/cyber-edge/coast-guard-cyber-moves-closer-defense-department>.

<sup>81</sup> Force Design 2028: Executive Report, U.S. Coast Guard (May 2025), [https://media.defense.gov/2025/May/27/2003724531/-1/-1/0/REPORT%20-%20FD28%20EXECUTIVE%20REPORT%20\\_1166\\_V14.PDF](https://media.defense.gov/2025/May/27/2003724531/-1/-1/0/REPORT%20-%20FD28%20EXECUTIVE%20REPORT%20_1166_V14.PDF); Force Design 2028: Execution Plan Summary, U.S. Coast Guard (2025), <https://media.defense.gov/2025/Jul/25/2003761706/-1/-1/0/FD28%20EXECUTION%20PLAN%20SUMMARY.PDF>.

- 
- <sup>82</sup> Cyber Trends and Insights in the Marine Environment, U.S. Coast Guard Cyber Command (May 19, 2025), <https://www.news.uscg.mil/maritime-commons/Article/4189739/coast-guard-cyber-command-releases-2024-ctime-report/>.
- <sup>83</sup> Benoit Faucon & Lara Seligman, U.S. Forces Raid Ship, Seize Cargo Headed to Iran From China, *The Wall Street Journal* (Dec. 12, 2025), [https://www.wsj.com/world/middle-east/u-s-forces-raid-ship-seize-cargo-headed-to-iran-from-china-35a1e2ac?gaa\\_at=eafs&gaa\\_n=AWetsqeHYB78TIW03utAJvaMXuki4jY89OdfYYW1IeolL3g-CRwtPTIFos\\_YvfjwWv8%3D&gaa\\_ts=69457fde&gaa\\_sig=oPWsKBwdW9iqX-O3ccaLo8IXKgHnVQ-nGrICzk41aBWL2sB16G9KRnKQC-4-NV7xu2xZT-snBGri3b6fkZz7kw%3D%3D](https://www.wsj.com/world/middle-east/u-s-forces-raid-ship-seize-cargo-headed-to-iran-from-china-35a1e2ac?gaa_at=eafs&gaa_n=AWetsqeHYB78TIW03utAJvaMXuki4jY89OdfYYW1IeolL3g-CRwtPTIFos_YvfjwWv8%3D&gaa_ts=69457fde&gaa_sig=oPWsKBwdW9iqX-O3ccaLo8IXKgHnVQ-nGrICzk41aBWL2sB16G9KRnKQC-4-NV7xu2xZT-snBGri3b6fkZz7kw%3D%3D).
- <sup>84</sup> Wagner-Linked Escort [«Варнеровский» эскорт], Dossier Center & Norwegian Broadcasting Corporation (Jan. 12, 2026), <https://dossier-center.appspot.com/wagner-escort/>; Holger Roonemaa et al, From Wagner to GRU, Russian Military Men Are Manning Moscow's Shadow Fleet, OCCRFP (Mar. 10, 2026), <https://www.occrp.org/en/investigation/from-wagner-to-gru-russian-military-men-are-manning-moscows-shadow-fleet>; Two Russian security personnel were on board France-seized tanker: sources, AFP (Feb. 23, 2026), <https://www.france24.com/en/live-news/20260223-two-russian-security-personnel-were-on-board-france-seized-tanker-sources>.
- <sup>85</sup> Dimitri Tokmetzis & Birte Schohaus, Almost 200 Russian ships suspected of spying in the North Sea, *Follow the Money* (June 20, 2024), <https://www.ftm.eu/articles/north-sea-1-suspicious-russian-ships-in-european-waters-and-havens>.
- <sup>86</sup> Marine Operations, RSB Group (accessed on Mar. 12, 2026), <https://perma.cc/JM5L-2XV2>.
- <sup>87</sup> Marine Operations, Moran Security Group (accessed on Mar. 12, 2026), <https://perma.cc/V32F-Z9A7>.
- <sup>88</sup> Press Release, As Russia Completes Transition to a Full War Economy, Treasury Takes Sweeping Aim at Foundational Financial Infrastructure and Access to Third Country Support, U.S. Department of the Treasury (June 12, 2024), <https://ofac.treasury.gov/recent-actions/20240612>; U.S. Treasury Sanctions Nearly 100 Targets in Putin's War Machine, Prohibits Russian Gold Imports, U.S. Department of the Treasury (June 28, 2022), <https://home.treasury.gov/news/press-releases/jy0838>.
- <sup>89</sup> F/AKAs: Huaxin Zhongan (Beijing) Security Guard Technology Service Company Limited; Han (Hxza) Security Groups; 华信中安(北京)保安服务有限公司; 华新中安. The company mirrors PLA organizational structure internally, with political commissars (政委) at the company level, political instructors (教导员) at the management level, and Party branches embedded at the project level, *see Retired but Not Faded: Building Achievements on a New Battlefield—How These Military Qualities Are Carried Forward at Huaxin Zhongan* [退役不褪色 建功新战场——他们让这些军人品质在华信中安传承], HXZA Group [华信中安] (Mar. 18, 2022), <https://perma.cc/MGX8-2KWS>.
- <sup>90</sup> F/AKAs: China Overseas Security Group; 海卫队; 中国海外保安; 中军军弘保安服务有限公司; Zhong-Jun Jun Hong Security Service Limited Co.
- <sup>91</sup> Yin also serves as vice chairman of the China Shipowners' Association's Maritime Security Committee, which helps coordinate armed escort policy with the Ministry of Transport, *see China Shipowners' Association Maritime Security Committee West Africa Gulf of Guinea Anti-Piracy Seminar and China Maritime Search and Rescue Center—China Shipowners' Association Maritime Security Coordination Meeting Successfully Held in Beijing* [中国船东协会海上安保委员会西非几内亚湾海域防海盗专题研讨会、中国海上搜救中心与中国船东协会海上安保协调会分别在北京圆满召开], HXZA Group [华信中安] (Mar. 18, 2022), <https://perma.cc/7MNU-V8BS>; Yin Weihong [殷卫宏], A Brief Analysis of Security Service Enterprise Qualification Evaluation [浅析保安服务企业资质评定], HXZA Group [华信中安] (Mar. 17, 2022), <https://perma.cc/PQ3H-3VGD>; Maritime Armed Escort [海上武装护航], HXZA Group [华信中安] (last visited Mar. 14, 2026), <https://perma.cc/6NQ5-TU2R>; Veteran Yin Weihong Uses Wisdom and Knowledge to Polish the Security Brand—Twelve Years Transforming an Industry Landscape [退伍老兵殷卫宏用智慧和知识擦亮保安品牌——十二年改变一个行业格局], PLA Daily [解放军报] (Mar. 17, 2022), <https://perma.cc/M7AJ-9MVD>; Group Profile [集团简介], HXZA Group [华信中安] (last visited Mar. 14, 2026), <https://perma.cc/NAZ8-YW32>; Retired but Not Faded: Building Achievements on a New Battlefield—How These Military Qualities Are Carried Forward at Huaxin Zhongan [退役不褪色 建功新战场——他们让这些军人品质在华信中安传承], HXZA Group [华信中安] (Mar. 18, 2022), <https://perma.cc/MGX8-2KWS>; Yinbin Ke, Cultivating Chinese Transnational Security Companies to Protect Overseas Enterprises and Citizens' Rights [培育中国跨国安保公司, 保护海外企业和公民权益], News and Public Affairs Department [新闻与公共事务部] (Dec. 8, 2015), <https://perma.cc/68GF-TU6M>.
- <sup>92</sup> Veteran Yin Weihong Uses Wisdom and Knowledge to Polish the Security Brand—Twelve Years Transforming an Industry Landscape [退伍老兵殷卫宏用智慧和知识擦亮保安品牌——十二年改变一

个行业格局], PLA Daily [解放军报] (Mar. 17, 2022), <https://perma.cc/M7AJ-9MVD>; Maritime Armed Escort [海上武装护航], HXZA Group [华信中安] (last visited Mar. 14, 2026), <https://perma.cc/6NQ5-TU2R>; Retired but Not Faded: Building Achievements on a New Battlefield—How These Military Qualities Are Carried Forward at Huaxin Zhongan [退役不褪色 建功新战场—他们让这些军人品质在华信中安传承], HXZA Group [华信中安] (Mar. 18, 2022), <https://perma.cc/MGX8-2KWS>; Liu Chang [刘畅], Chinese Armed Security Companies Compete with European and American Firms; Reportedly Participated in a Sudan Hostage Rescue [中国武装安保公司与欧美竞争 曝曾在苏丹救人质], Global Times [环球时报] (Oct. 25, 2013), <https://perma.cc/N5V2-CF77>; Yinbin Ke, Cultivating Chinese Transnational Security Companies to Protect Overseas Enterprises and Citizens' Rights [培育中国跨国安保公司, 保护海外企业和公民权益], News and Public Affairs Department [新闻与公共事务部] (Dec. 8, 2015), <https://perma.cc/68GF-TU6M>; Group Profile [集团简介], HXZA Group [华信中安] (last visited Mar. 14, 2026), <https://perma.cc/NAZ8-YW32>; Current Situation of Chinese-Funded Overseas Security Companies and Reflections [海外中资背景保安公司的现状与思考], Huayu Think Tank [华语智库] (Sept. 16, 2022), <https://perma.cc/DV5R-AZL5>; Charles Clover, Chinese private security companies go global, Financial Times (Feb. 26, 2017), <https://www.ft.com/content/2a1ce1c8-fa7c-11e6-9516-2d969e0d3b65>.

<sup>93</sup> Escort Chronicle—Ancient Silk Road “Zhai Mo” Vessel [护航纪实—古丝绸之路 翟墨号], Xinde Marine News [信德海事网] (Aug. 17, 2018), <https://perma.cc/4BK6-5NEF>; Honeycomb Aerospace Signs Strategic Cooperation Agreement with HXZA [蜂巢航宇与华信中安签署战略合作协议], Honeycomb Aerospace [蜂巢航宇] (Dec. 13, 2022), <https://perma.cc/6F7M-PG32>.

<sup>94</sup> Armed Escort at Sea [海上武装护航], China Overseas Security Group [中国海外保安] (last visited on Mar. 14, 2026), <https://perma.cc/YWQ7-GA5M>; About, China Overseas Security Group [中国海外保安] (last visited on Mar. 14, 2026), <https://perma.cc/DA4Z-HQQQ>; Heroic Men and Women of the New Era Escort Ships Across the Oceans, Courageously Taking on Missions and Advancing Through the Waves [新时代英雄儿女远洋护航, 勇担使命逐浪前行], China Overseas Security Group [中国海外保安] (Dec. 20, 2024), <https://perma.cc/2TJZ-JLYF>.

<sup>95</sup> About, China Overseas Security Group [中国海外保安] (last visited on Mar. 14, 2026), <https://perma.cc/DA4Z-HQQQ>; Group News | China Overseas Security Group Invited to Attend the 6th China-Africa Economic Cooperation and Overseas Security Seminar [集团新闻 | 中军军弘安保集团应邀参加第六届中非经济合作与海外安全研讨会], China Overseas Security Group [中国海外保安] (Apr. 23, 2024), <https://perma.cc/V768-BFWM>; Taking on Heavy Responsibility in Distant Oceans: China Overseas Security Group Escort Teams Safeguard National Overseas Interests and Carry Out Security Missions [剑指远洋担重任 中军军弘护航队守护民族海外利益 执行安保使命], China Overseas Security Group [中国海外保安] (Nov. 12, 2025), <https://perma.cc/9NGQ-2BT9>; Serving as the Vanguard in Advancing the National Overseas Security Strategy [作推进国家海外安保战略的排头兵], China Overseas Security Group [中国海外保安] (Nov. 27, 2019), <https://perma.cc/5WAK-HRS4>; Heroic Men and Women of the New Era Escort Ships Across the Oceans, Courageously Taking on Missions and Advancing Through the Waves [新时代英雄儿女远洋护航, 勇担使命逐浪前行], China Overseas Security Group [中国海外保安] (Dec. 20, 2024), <https://perma.cc/2TJZ-JLYF>.

<sup>96</sup> Veteran Yin Weihong Uses Wisdom and Knowledge to Polish the Security Brand—Twelve Years Transforming an Industry Landscape [退伍老兵殷卫宏用智慧和知识擦亮保安品牌——十二年改变一个行业格局], PLA Daily [解放军报] (Mar. 17, 2022), <https://perma.cc/M7AJ-9MVD>; Maritime Armed Escort [海上武装护航], HXZA Group [华信中安] (last visited Mar. 14, 2026), <https://perma.cc/6NQ5-TU2R>; Veteran Yin Weihong Uses Wisdom and Knowledge to Polish the Security Brand—Twelve Years Transforming an Industry Landscape [退伍老兵殷卫宏用智慧和知识擦亮保安品牌——十二年改变一个行业格局], PLA Daily [解放军报] (Mar. 17, 2022), <https://perma.cc/M7AJ-9MVD>; Retired but Not Faded: Building Achievements on a New Battlefield—How These Military Qualities Are Carried Forward at Huaxin Zhongan [退役不褪色 建功新战场—他们让这些军人品质在华信中安传承], HXZA Group [华信中安] (Mar. 18, 2022), <https://perma.cc/MGX8-2KWS>; Liu Chang [刘畅], Chinese Armed Security Companies Compete with European and American Firms; Reportedly Participated in a Sudan Hostage Rescue [中国武装安保公司与欧美竞争 曝曾在苏丹救人质], Global Times [环球时报] (Oct. 25, 2013), <https://perma.cc/N5V2-CF77>; Yinbin Ke, Cultivating Chinese Transnational Security Companies to Protect Overseas Enterprises and Citizens' Rights [培育中国跨国安保公司, 保护海外企业和公民权益], News and Public Affairs Department [新闻与公共事务部] (Dec. 8, 2015), <https://perma.cc/68GF-TU6M>; Maritime Armed Escort [海上武装护航], HXZA Group [华信中安] (last visited Mar. 14, 2026), <https://perma.cc/6NQ5-TU2R>, <https://perma.cc/UW3K-7Q9T>; Retired but Not Faded: Building Achievements on a New Battlefield—How These Military Qualities Are Carried

---

Forward at Huaxin Zhongan [退役不褪色 建功新战场——他们让这些军人品质在华信中安传承], HXZA Group [华信中安] (Mar. 18, 2022), <https://perma.cc/MGX8-2KWS>.

<sup>97</sup> Heroic Men and Women of the New Era Escort Ships Across the Oceans, Courageously Taking on Missions and Advancing Through the Waves [新时代英雄儿女远洋护航, 勇担使命逐浪前行], China Overseas Security Group [中国海外保安] (Dec. 20, 2024), <https://perma.cc/2TJZ-JLYF>.

<sup>98</sup> VARUNA (IMO 9332810), U.K. Russia Sanctions List, Unique ID RUS2240 (Oct. 17, 2024), <https://search-uk-sanctions-list.service.gov.uk/designations/RUS2240/Ship>; Council Regulation (EU) 2025/932 of 20 May 2025 Amending Regulation (EU) No 833/2014 Concerning Restrictive Measures in View of Russia's Actions Destabilising the Situation in Ukraine, 2025 O.J. (L) 932 (EU) (May 20, 2025), [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L\\_202500932](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202500932).

<sup>99</sup> Manne Scheef, Rune Hellgren Blichfeldt & Per Rasmussen, Putin's Warship Discovered Hiding Near Langeland Amid Drone Chaos [Afløret midt i drone-kaos: Putins krigsskib i skjul ved Langeland], Ekstra Bladet (Sept. 25, 2025), <https://ekstrabladet.dk/krimi/afsløret-midt-i-drone-kaos-putins-krigsskib-i-skjul-ved-langeland/10956645>; Peter Møller, Unconfirmed Speculation About Three Ships Circulates [Ubekræftede spekulationer om tre skibe florerer], TV 2 Danmark (Sept. 23, 2025), <https://nyheder.tv2.dk/live/krimi/2025-09-22-droner-over-danmark?entry=620c9d57-1143-4349-a90a-39182dcd02e9>; Caroline Christensen, The Drones Disappeared on Their Own [Dronerne er forsvundet af sig selv], DR Nyheder (Sept. 22, 2025), <https://www.dr.dk/nyheder/indland/droner-set-over-koebenhavns-lufthavn?focusId=10223991>; Drone Seen Flying Over Copenhagen Airport (Kastrup) [Här flyger drönare på Kastrups flygplats], TV4 Nyheterna (Sept. 23, 2025), <https://www.tv4.se/artikel/3GN0dZJuOXqUzRe6nVnaPf/malmoeparet-sag-enorm-droenare-utanfoer-balkongen-ringde-polisen-direkt>.

<sup>100</sup> Sébastien Seibt, Drones, Sabotage, Surveillance: Moscow's Hybrid Warfare Takes to the High Seas, France 24 (Oct. 3, 2025), <https://www.france24.com/en/europe/20251003-drones-sabotage-surveillance-moscow-s-hybrid-warfare-takes-to-the-high-seas>; Richard Meade, France investigating shadow fleet tanker linked to Danish drone attacks, Lloyd's List (Sep. 30, 2025), <https://www.lloydslist.com/LL1154977/France-investigating-shadow-fleet-tanker-linked-to-Danish-drone-attacks>; Joshua Minchin, Shadow fleet master detained as Macron urges Europe to increase shadow fleet pressure, Lloyd's List (Oct. 2, 2025), <https://www.lloydslist.com/LL1155004/Shadow-fleet-master-detained-as-Macron-urges-Europe-to-increase-shadow-fleet-pressure>; Two Russian security personnel were on board France-seized tanker: sources, AFP News (Feb. 23, 2026), <https://www.france24.com/en/live-news/20260223-two-russian-security-personnel-were-on-board-france-seized-tanker-sources>.

<sup>101</sup> Estonian Navy Detains Russian "Shadow Fleet" Oil Tanker, ERR News (Apr. 11, 2025), <https://news.err.ee/1609662026/estonian-navy-detains-russian-shadow-fleet-oil-tanker>.

<sup>102</sup> According to Kpler data, PHOENIX (IMO 9332810) made at least two deliveries of Russian crude to China in early 2026: 628,126 barrels of Urals from Sheskhari to Dongjiakou Oil Terminal, loaded December 2, 2025 and discharged February 4, 2026; and 708,220 barrels of Sokol from Sakhalin I to Rizhao, loaded February 9, 2026 and discharged February 26, 2026. Kpler identifies Alghaf Marine DMCC—a Dubai-based Lukoil trading arm—as seller and charterer for the Urals cargo. For the Sokol cargo, Kpler identifies Sakhalin 1 LLC as seller and charterer, but does not name a destination-side buyer, *see* Kpler Data; Julia Payne & Chen Aizhu, Russia's Lukoil sets up a new oil trading arm in Dubai, sources say, Reuters (Aug. 6, 2025), <https://www.reuters.com/business/energy/russias-lukoil-sets-up-new-oil-trading-arm-dubai-sources-say-2025-08-06/>.

<sup>103</sup> Press Release, UK Announces Largest Sanctions Package Against Russia Since 2022, Foreign, Commonwealth & Development Office & David Lammy, U.K. Gov't (Feb. 24, 2025), <https://www.gov.uk/government/news/uk-announces-largest-sanctions-package-against-russia-since-2022>.

<sup>104</sup> Wagner-Linked Escort [«Варнеровский» эскорт], Dossier Center & Norwegian Broadcasting Corporation (Jan. 12, 2026), <https://dossier-center.appspot.com/wagner-escort/>; Holger Roonemaa et al, From Wagner to GRU, Russian Military Men Are Manning Moscow's Shadow Fleet, OCCRP (Mar. 10, 2026), <https://www.occrp.org/en/investigation/from-wagner-to-gru-russian-military-men-are-manning-moscows-shadow-fleet>; Two Russian security personnel were on board France-seized tanker: sources, AFP (Feb. 23, 2026), <https://www.france24.com/en/live-news/20260223-two-russian-security-personnel-were-on-board-france-seized-tanker-sources>.

<sup>105</sup> Press Release, UK Announces Largest Sanctions Package Against Russia Since 2022, Foreign, Commonwealth & Development Office & David Lammy, U.K. Gov't (Feb. 24, 2025),

---

<https://www.gov.uk/government/news/uk-announces-largest-sanctions-package-against-russia-since-2022>.

<sup>106</sup> Wagner-Linked Escort [«Вагнеровский» эскаорт], Dossier Center & Norwegian Broadcasting Corporation (Jan. 12, 2026), <https://dossier-center.appspot.com/wagner-escort/>; Holger Roonema et al, From Wagner to GRU, Russian Military Men Are Manning Moscow’s Shadow Fleet, OCCRP (Mar. 10, 2026), <https://www.occrp.org/en/investigation/from-wagner-to-gru-russian-military-men-are-manning-moscows-shadow-fleet>; Two Russian security personnel were on board France-seized tanker: sources, AFP (Feb. 23, 2026), <https://www.france24.com/en/live-news/20260223-two-russian-security-personnel-were-on-board-france-seized-tanker-sources>.

<sup>107</sup> ALEKSEY KOSYGIN was sanctioned before it even entered service, having been identified by the U.S. Department of the Treasury as property in which Sovcomflot has an interest under E.O. 14024 and also sanctioned by Ukraine prior to launch, *see* As Russia Completes Transition to a Full War Economy, Treasury Takes Sweeping Aim at Foundational Financial Infrastructure and Access to Third Country Support, U.S. Department of the Treasury (June 12, 2024), <https://home.treasury.gov/news/press-releases/jy2404>.

<sup>108</sup> Putin personally attended the vessel’s naming ceremony, underscoring the project’s importance to the Kremlin, *see* Zvezda Shipyard Delivers Russia’s First Ice-Class LNG Tanker to Customer [Верфь «Звезда» передала заказчику первый в России СПГ-танкер-ледокол], RBC [РБК] (Dec. 24, 2025), [https://www.rbc.ru/industries/news/694bc0b39a7947156ae862ec?utm\\_referrer=https%3A%2F%2Fen.wikipedia.org%2F](https://www.rbc.ru/industries/news/694bc0b39a7947156ae862ec?utm_referrer=https%3A%2F%2Fen.wikipedia.org%2F); Visiting Zvezda Shipbuilding Complex, President of Russia (Sept. 11, 2023), <https://perma.cc/T4TM-WMBU>.

<sup>109</sup> Data on file with Select Committee, device ID is AcSQS0WuTMYcFd+0Za4+LsTtFGxMrZk2BSOxKmLo1FpCjq/20HWCTrBN0hwMJ8NaLhU4icjAfHy 2.

<sup>110</sup> Russia-Related Designations and Designations Updates, U.S. Dep’t of the Treasury, Off. of Foreign Assets Control (May 8, 2022), <https://ofac.treasury.gov/recent-actions/20220508>.

<sup>111</sup> From Syria to Libya: Russians Plan to Transfer Part of Their Military Equipment to Africa [Із Сирії — в Лівію: росіяни планують перекинути частину військової техніки в Африку], Main Intelligence Directorate of the Ministry of Defense of Ukraine (Jan. 3, 2025), <https://perma.cc/T8A9-NZ5H>.

<sup>112</sup> The device was linked to Russia’s 26th Separate Measurement Point, which falls under the 820th Main Center for Missile Attack Warning, *see* data on file with Select Committee, device ID is AcSQS0VupWuIoECE+URh5e+IZ1eUQWAXgzTujF3/RJKNHA5/dCCNI0YbVjmLrvWHfmu43KzAY pIR.

<sup>113</sup> At that time, the vessel was named “MOVERS 3,” *see* Refusal of Access List and Letters of Warning List, Australian Maritime Safety Authority (last visited Mar. 14, 2026), <https://www.amsa.gov.au/vessels-operators/port-state-control/refusal-access-list-and-letters-warning-list>.

<sup>114</sup> Data on file with Select Committee, device ID is AcSQS0VupWuIoECE+URh5e+IZ1eUQWAXgzTujF3/RJKNHA5/dCCNI0YbVjmLrvWHfmu43KzAY pIR.

<sup>115</sup> Iran’s revolutionary guards tell ships passage through Strait of Hormuz ‘not allowed’, EU naval mission official says, Reuters (Feb. 28, 2026), <https://www.reuters.com/world/middle-east/irans-revolutionary-guards-tell-ships-passage-through-strait-hormuz-not-allowed-2026-02-28/>; Iran vows to attack any ship trying to pass through Strait of Hormuz, Reuters (Mar. 2, 2026), <https://www.reuters.com/world/middle-east/iran-vows-attack-any-ship-trying-pass-through-strait-hormuz-2026-03-02/>.

<sup>116</sup> Siddharth Cavale, Oil settles up 9% as Iran vows to keep Strait of Hormuz closed, Reuters (Mar. 11, 2026), <https://www.reuters.com/business/energy/oil-climbs-tankers-are-attacked-iraqi-waters-amid-middle-east-war-2026-03-12/>; Ahmad Ghaddar & Alex Lawler, Middle East Oil Exports Drop at Least 60% as Hormuz Stays Mostly Closed, Data Shows, Reuters (Mar. 16, 2026), <https://www.reuters.com/business/energy/middle-east-oil-exports-drop-least-60-hormuz-stays-mostly-closed-data-shows-2026-03-16/>; Emily Chow & Jeslyn Lerh, Marine insurers cancel war risk cover, tanker costs to rise as Iran conflict intensifies, Reuters (Mar. 2, 2026), <https://www.reuters.com/world/middle-east/ship-insurers-cancel-war-risk-cover-due-iran-conflict-2026-03-02/>; Ben Dyson, Marine war insurance for Hormuz dries up as Middle East war intensifies, S&P Global (Mar. 3, 2026), <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2026/3/marine-war-insurance-for-hormuz-dries-up-as-middle-east-war-intensifies>

---

99283143; Mike Schuler, Containership Hit by Projectile in Strait of Hormuz as Maritime Attacks Escalate, gCaptain (Mar. 4, 2026), <https://gcaptain.com/containership-hit-by-projectile-in-strait-of-hormuz-as-maritime-attacks-escalate/>.

<sup>117</sup> Kpler.

<sup>118</sup> Kpler.

<sup>119</sup> Specifically, On March 2, Chinese Foreign Minister Wang Yi backed Iran's "legitimate rights and interests" but told Tehran to heed "the legitimate concerns of its neighbors." By March 4, Beijing was urging all sides to keep the Strait open. On March 8, Wang Yi broadened that position into a call for "ceasefire and stop the fighting," see Wang Yi [王毅], Wang Yi Speaks by Phone with Iranian Foreign Minister Araghchi [王毅同伊朗外长阿拉格齐通电话], Ministry of Foreign Affairs of the People's Republic of China [中华人民共和国外交部] (Mar. 2, 2026),

[https://www.mfa.gov.cn/wjbzhd/202603/t20260302\\_11867266.shtml](https://www.mfa.gov.cn/wjbzhd/202603/t20260302_11867266.shtml); Mao Ning [毛宁], Regular Press Conference of March 4, 2026 [2026年3月4日外交部发言人毛宁主持例行记者会], Ministry of Foreign Affairs of the People's Republic of China [中华人民共和国外交部] (Mar. 4, 2026),

[https://www.fmprc.gov.cn/fyrbt\\_673021/jzhs1\\_673025/202603/t20260304\\_11868732.shtml](https://www.fmprc.gov.cn/fyrbt_673021/jzhs1_673025/202603/t20260304_11868732.shtml); Wang Yi [王毅], Wang Yi on the Situation in Iran: Ceasefire and End the Fighting, Bring Peace Back to the Middle East and the World [王毅谈伊朗局势：停火止战，还中东和世界以和平], Ministry of Foreign Affairs of the People's Republic of China [中华人民共和国外交部] (Mar. 8, 2026),

[https://www.mfa.gov.cn/web/wjdt\\_674879/gjldrhd\\_674881/202603/t20260308\\_11870443.shtml](https://www.mfa.gov.cn/web/wjdt_674879/gjldrhd_674881/202603/t20260308_11870443.shtml);

Jonathan Saul & Marwa Rashad, China in Talks with Iran to Allow Safe Oil and Gas Passage Through Hormuz, Sources Say, Reuters (Mar. 5, 2026), <https://www.reuters.com/business/energy/china-talks-with-iran-allow-safe-oil-gas-passage-through-hormuz-sources-say-2026-03-05/>; US 'Fine' with Some Ships Getting Through Strait of Hormuz, Bessent Says, Reuters (Mar. 16, 2026),

<https://www.reuters.com/world/china/us-fine-with-some-ships-getting-through-strait-hormuz-bessent-says-2026-03-16/>;

Ariba Shahid, Pakistan-Bound Oil Tanker Passes Through Hormuz Strait Amid Iran War, Reuters (Mar. 16, 2026), <https://www.reuters.com/world/asia-pacific/pakistan-bound-oil-tanker-passes-through-hormuz-strait-amid-iran-war-2026-03-16/>;

Krishna N. Das, Saurabh Sharma & Nidhi Verma, Indian Source Says Iran to Allow India-Flagged Tankers Through Hormuz as First Tanker Arrives, Reuters (Mar. 12, 2026), <https://www.reuters.com/world/india/iran-allow-india-flagged-tankers-pass-through-strait-hormuz-indian-source-says-2026-03-12/>;

Trixie Sher Li Yap, Siyi Liu & Chen Aizhu, China Urges Refiners to Suspend Fuel Exports Amid Mideast War, Sources Say, Reuters (Mar. 5, 2026), <https://www.reuters.com/business/energy/china-urges-refiners-suspend-fuel-exports-amid-mideast-conflict-sources-say-2026-03-05/>;

Trixie Sher Li Yap, Chen Aizhu & Siyi Liu, China Orders Immediate Ban on March Fuel Exports, Sources Say, Reuters (Mar. 12, 2026),

<https://www.reuters.com/business/energy/china-orders-immediate-ban-march-fuel-exports-sources-say-2026-03-12/>.

<sup>120</sup> China to Raise Gasoline, Diesel Retail Prices, Xinhua (Mar. 10, 2026),

[http://english.scio.gov.cn/m/pressroom/2026-03/10/content\\_118373749.html](http://english.scio.gov.cn/m/pressroom/2026-03/10/content_118373749.html); Domestic Refined Oil Prices Adjusted According to Mechanism on March 9, 2026 [2026年3月9日国内成品油价格按机制调整], National Development and Reform Commission of the People's Republic of China [中华人民共和国国家发展和改革委员会] (Mar. 9, 2026),

[https://www.ndrc.gov.cn/xwdt/xwfb/202603/t20260309\\_1404075\\_ext.html](https://www.ndrc.gov.cn/xwdt/xwfb/202603/t20260309_1404075_ext.html).

<sup>121</sup> Trixie Sher Li Yap & Chen Aizhu, Exclusive: Top Global Refiner Sinopec to Cut Crude Runs by Over 10% on Mideast Supply Squeeze, Sources Say, Reuters (Mar. 13, 2026),

<https://www.reuters.com/business/energy/sinopec-plans-cut-crude-runs-by-over-10-mideast-supply-squeeze-sources-say-2026-03-13/>.

<sup>122</sup> Muyu Xu, As Mideast supply shock deepens, will China tap its oil reserves soon?, Kpler (Mar. 12, 2026), <https://terminal.kpler.com/insight/research/research-updates/as-mideast-supply-shock-deepens-will-china-tap-its-oil-reserves-soon>.

<sup>123</sup> Force Design 2028: Executive Report, U.S. Coast Guard (May 2025),

[https://media.defense.gov/2025/May/27/2003724531/-1/-1/0/REPORT%20-%20FD28%20EXECUTIVE%20REPORT%20\\_1166\\_V14.PDF](https://media.defense.gov/2025/May/27/2003724531/-1/-1/0/REPORT%20-%20FD28%20EXECUTIVE%20REPORT%20_1166_V14.PDF);

Force Design 2028: Execution Plan Summary, U.S. Coast Guard (2025), <https://media.defense.gov/2025/Jul/25/2003761706/-1/-1/0/FD28%20EXECUTION%20PLAN%20SUMMARY.PDF>.