

August 24, 2018

Via Federal eRulemaking Portal & Certified Mail

Rear Admiral Mark H. Buzby
Administrator
Maritime Administration
1200 New Jersey Avenue SE
Washington DC 20590

Rear Admiral John P. Nadeau
Assistant Commandant for Prevention Policy (CG-5P)
U.S. Coast Guard, Stop 7501
2703 Martin Luther King Jr. Ave., SE
Washington, D.C. 20593-7501

Re: Texas Gulf Terminals Project
Federal Docket No. MARAD-2018-0114

Dear Admiral Buzby and Admiral Nadeau:

This letter is submitted on behalf of the Port of Corpus Christi Authority (“Port”). The Port is requesting that the United States Coast Guard (“Coast Guard”) and the United States Maritime Administration (“MARAD”) withdraw the July 31, 2018 determination that Texas Gulf Terminals Inc.’s (“Texas Gulf Terminals”) application for a deepwater port license (the “Application”) is complete.

The Application does not meet the requirements of 33 U.S.C. § 1504(c)(1), so it is not complete. Under 33 U.S.C. § 1504(c)(1), an application cannot be determined complete unless it “appears to contain all of the information required by” 33 U.S.C. § 1504(c)(2). The information required by 33 U.S.C. § 1504(c)(2) includes:

- “the name, address, citizenship, telephone number, and the ownership interest in the applicant, of each person having any ownership interest in the applicant greater than 3 per centum”;¹ and
- “the name, address, citizenship, telephone number, and the ownership interest of each affiliate of the applicant ... together with a description of the manner in which such affiliate is associated with the applicant....”²

The Application does not appear to contain—and does not contain—this required information, so it is not complete.

¹ 33 U.S.C. § 1504(c)(2)(A).

² 33 U.S.C. § 1504(c)(2)(C).

The federal regulations define an “affiliate” as an entity that “has a direct or indirect ownership interest of more than 3 percent in an applicant.”³ The Application identifies two affiliates: Trafigura Trading LLC and Trafigura US, Inc.⁴ The Application identifies Trafigura Trading LLC as the “Participating Affiliate.”⁵

The Application states that Trafigura US, Inc. “holds ownership interests in” Texas Gulf Terminals and that Trafigura Group Pte. Ltd. is Texas Gulf Terminals’ ultimate owner.⁶ Because Trafigura Group Pte. Ltd. is Texas Gulf Terminals’ ultimate owner, it has an “indirect ownership interest of more than 3 percent” in Texas Gulf Terminals.⁷ Therefore, Trafigura Group Pte. Ltd. both (1) has an ownership interest in Texas Gulf Terminals greater than 3 per cent, and (2) is Texas Gulf Terminals’ affiliate. But the Application does not identify Trafigura Group Pte. Ltd. as an owner or affiliate, and it does not provide the required information for Trafigura Group Pte. Ltd. Therefore, Texas Gulf Terminals has at least one owner and affiliate for which it has not provided the required information.

In addition, the Application states that Texas Gulf Terminals is “ultimately owned by Trafigura Group Pte. Ltd.”⁸ That implies that there are additional entities between Trafigura US, Inc. and Trafigura Group Pte. Ltd. that have ownership interests in Texas Gulf Terminals. So there may be other intermediate entities that own more than 3% of Texas Gulf Terminals, which would also be considered owners and affiliates under the regulations.⁹ The Application does not provide the required information for any of those entities. So it is possible that there are additional owners and affiliates, in addition to Trafigura Group Pte. Ltd., for which Texas Gulf Terminals has not provided the required information.

Therefore, based on the Application itself, the Application does not “appear[] to contain all of the information required by” 33 U.S.C. § 1504(c)(2).¹⁰ Instead, the Application itself clearly shows that the information required by 33 U.S.C. § 1504(c)(2)(A) and 33 U.S.C. § 1504(c)(2)(C) is missing for at least one of Texas Gulf Terminals’ owners and affiliates, specifically Trafigura Group Pte. Ltd.

³ 33 C.F.R. § 148.5.

⁴ Application at § 2.1.

⁵ Application at § 2.1.

⁶ Application at § 2.1. Trafigura US, Inc. owns Texas Gulf Terminals and Trafigura Trading LLC. All are “ultimately owned by Trafigura Group Pte. Ltd.” *Id.*

⁷ Application at § 2.1; 33 C.F.R. § 148.5.

⁸ Application at § 2.1.

⁹ 33 C.F.R. § 148.5.

¹⁰ 33 U.S.C. § 1504(c)(1).

Because the Application itself does not “appear[] to contain all of the information required by” 33 U.S.C. § 1504(c)(2), the Application should not have been determined to be complete.¹¹ The Port, therefore, requests that the Coast Guard and MARAD withdraw the determination that the Application is complete. The Coast Guard and MARAD should cancel all pending deadlines and “take no further action with respect to the application until such deficiencies have been remedied.”¹²

In addition, as Mr. Curtis Borland recognized in his July 31, 2018 letter to Texas Gulf Terminals, the Application is missing a number of required elements. The missing information includes the detailed information required for all affiliates of the applicant. The areas where the Application is lacking required information on all affiliates includes:

- Affiliate’s ownership interest in Texas Gulf Terminals;¹³
- Affiliates’ criminal history;¹⁴
- Affiliate’s certification of no prohibited lobbying;¹⁵
- Affiliates’ experience with deepwater ports;¹⁶
- Affiliates’ financial information;¹⁷ and
- Affiliates’ throughput reports.¹⁸

The Coast Guard and MARAD should require Texas Gulf Terminals to provide all required information on all of its affiliates, and they should not continue the processing of the application or approve the license without that required information. The Port will also provide additional information regarding that in its comments regarding the Application.

Texas Gulf Terminals’ failure to provide the required information on all of its affiliates is especially troubling because it has chosen as its participating affiliate a company that has been convicted of federal felonies involving false statements.¹⁹ Texas Gulf Terminals has designated

¹¹ 33 U.S.C. § 1504(c)(1).

¹² 33 U.S.C. § 1504(c)(1).

¹³ 33 C.F.R. § 148.105(a)(3); Application at § 2.3.

¹⁴ 33 C.F.R. § 148.105(a)(5); Application at § 2.5. The Application also omits Trafigura US, Inc.’s criminal history, even though it is designated as an affiliate. *Id.*

¹⁵ 33 C.F.R. § 148.205(a)(6); Application at § 2.6. The Application also omits Trafigura US, Inc.’s lobbying certification, even though it is designated as an affiliate. *Id.*

¹⁶ 33 C.F.R. § 148.205(b)(1); Application at § 3.1. The Application does not include this for any affiliates. *Id.*

¹⁷ 33 C.F.R. § 148.105(g)(1); Application at § 8.1.

¹⁸ 33 C.F.R. § 148.105(g)(5); Application at § 8.5.

¹⁹ See Judgment and Plea Agreement in *United States v. Trafigura AG*, No. 6:06-CR-00064 (S.D. Tex.) (convicted of violating 18 U.S.C. § 542, Entry of Goods by Means of False Statements), attached as Exs. A and B.

Trafigura Trading LLC as its “Participating Affiliate” for the project.²⁰ Trafigura Trading LLC was previously named Trafigura AG.²¹ In 2006, Trafigura AG—now Trafigura Trading LLC—pled guilty in Texas federal court to making false statements to the federal government in relation to the Iraq Oil-for-Food Program.²² Because Texas Gulf Terminals has chosen to hide the identity or not provide required information for its other affiliates, there is no way to determine if they also have criminal convictions or have engaged in improper business practices.

Thank you for your attention to this matter. Please do not hesitate to contact me if you need additional information or have any questions.

Sincerely,


Debra Tsuchiyama Baker

cc: Texas Gulf Terminals, Inc.
Attn: Ms. Denise Rogers
1401 McKinney, Suite 1500
Houston, Texas 77010

Ms. Yvette Fields
Director
Maritime Administration
Office of Deepwater Ports and Offshore Activities
1200 New Jersey Avenue SE, W21-310 (MAR-530)
Washington, DC 20590

Mr. Curtis E. Borland
Attorney/Advisor
Vessel and Facility Operating Standards Division
U.S. Coast Guard
2703 Martin Luther King Jr. Ave, SE
Washington DC 20593-7509

²⁰ Application at § 2.1.

²¹ See Trafigura AG Amendment to Registration filed with Texas Secretary of State (Feb. 20, 2015), attached as Ex. C.

²² See Ex. A; Ex. B.

Mr. Christopher Wilson
Program Analyst
Federal Property Management Section
Advisory Council on Historic Preservation
401 F Street NW, Suite 308
Washington DC 20001

Mr. T.J. Broussard
Regional Environmental Officer
Bureau of Safety and Environmental Enforcement
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123

Ms. Terri L. Thomas
Regional Supervisor
Office of the Environment
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123

Council on Environmental Quality
730 Jackson Place NW
Washington DC 20503

Ms. Rachel Halpern
Industry Analyst
Department of Energy
Room 3E-052
1000 Independence Ave. SW
Washington DC 20585

Ms. Amy Sweeney
Director
Division of Natural Gas Regulation
U.S. Department of Energy
Room 3E-052
1000 Independence Ave. SW
Washington DC 20585

Ms. Judith G. Garber
Principal Deputy Assistant
Bureau of Oceans and International Environmental and Scientific Affairs
U.S. Department of State
2201 C Street NW
Washington DC 20520

Mr. Douglas Cotton
Environmental Protection Specialist
Office of Energy Projects
Federal Energy Regulatory Commission
888 1st Street NE
Washington DC 20426

Ms. Katherine Renshaw
Section Chief
Environmental Review & Coordination Section
NOAA Office of General Counsel
National Oceanic and Atmospheric Administration
1315 East-West Highway
SSMC-4 Room 6111
Silver Spring, Maryland 20910

Mr. Chris Oliver
Assistant Administrator for Fisheries
National Marine Fisheries Service
National Oceanic and Atmospheric Administration
1315 East-West Highway
Silver Spring, Maryland 20910

Mr. Greg Gould
Director
Office of Natural Resource Revenue
1849 C Street NW, Mail Stop 5134
Washington DC 20240

Mr. Kenneth Lee
Director of Engineering & Research
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Ave. SE
Washington DC 20590

Mr. Stephen Younger
Laboratories Director
Sandia National Laboratories
P.O. Box 5800
Albuquerque, New Mexico 87185

Mr. Matt Kimmel
Supervisor
U.S. Army Corps of Engineers
Corpus Christi Regulatory Office
5151 Flynn Parkway, Suite 306
Corpus Christi, Texas 78411-4318

Mr. Robert Torniak
Director
Office of Federal Activities
Office of Enforcement and Compliance Assurance
U.S. Environmental Protection Agency
William Jefferson Clinton Building S.
1200 Pennsylvania Ave. NW
Washington DC 20004

Mr. Pat Clements
Ecological Services Field Office
U.S. Fish and Wildlife Service
4444 Corona Drive, Suite 215
Corpus Christi, Texas 78411-4300

A

UNITED STATES DISTRICT COURT
Southern District of Texas
Holding Session in Victoria

UNITED STATES OF AMERICA

v.

TRAFIGURA AG (Incorporated Under the Laws of Switzerland)

JUDGMENT IN A CRIMINAL CASE

(For Organizational Defendants)

Case Number: **6:06CR00064-001**

David Gerger
Defendant Organization's Attorney

THE DEFENDANT ORGANIZATION:

- pleaded guilty to count(s) 1 and 2 of the Criminal Information on May 25, 2006
- pleaded nolo contendere to count(s) _____
which was accepted by the court.
- was found guilty on count(s) _____
after a plea of not guilty.

ACCORDINGLY, the court has adjudicated that the defendant organization is guilty of the following offenses:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Date Offense Concluded</u>	<u>Count Number(s)</u>
18 U.S.C. § 542	Entry of Goods by Means of False Statements	07-02-2001	1
18 U.S.C. § 542	Entry of Goods by Means of False Statements	10-16-2001	2

See Additional Counts of Conviction.

The defendant organization is sentenced as provided in pages 2 through 3 of this judgment.

- The defendant organization has been found not guilty on count(s) _____
- Count(s) _____ is are dismissed on the motion of the United States.

IT IS ORDERED that the defendant organization shall notify the United States Attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization shall notify the court and United States Attorney of any material change in the organization's economic circumstances.

Defendant Organization's
Federal Employer I.D.: None

Defendant Organization's Principal Business Address:

Defendant Organization's Mailing Address/Organization
Representative:

May 25, 2006
Date of Imposition of Judgment

John D. Rainey
Signature of Judicial Officer

JOHN D. RAINEY
UNITED STATES DISTRICT JUDGE
Name and Title of Judicial Officer

June 7, 2006
Date

DEFENDANT ORGANIZATION: **TRAFIGURA AG (Incorporated Under the Laws of Switzerland)**
 CASE NUMBER: **6:06CR00064-001**

CRIMINAL MONETARY PENALTIES

The defendant organization shall pay the following total criminal monetary penalties in accordance with the schedule of payments set forth on Sheet 3, Part B.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 800.00	\$ 8,000,000.00	\$ 0.00

The special assessment amount consists of \$400.00 as to each of Counts 1 and 2, for a total of \$800.00

- See Additional Terms for Criminal Monetary Penalties Sheet.
- The determination of restitution is deferred until _____. An Amended Judgment in a Criminal Case (AO 245C) will be entered after such determination.
- The defendant organization shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant organization makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid in full prior to the United States receiving payment.

<u>Name of Payee</u>	<u>*Total Amount of Loss</u>	<u>Amount of Restitution Ordered</u>	<u>Priority Order or Percentage of Payment</u>
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- See Additional Restitution Payees Sheet.

TOTALS	\$0.00	\$0.00
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- If applicable, restitution amount ordered pursuant to plea agreement \$ _____
- The defendant organization shall pay interest on any fine or restitution of more than \$2,500, unless the fine or restitution is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 5, Part B may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- The court determined that the defendant organization does not have the ability to pay interest, and it is ordered that:
 - the interest requirement is waived for the fine and/or restitution.
 - the interest requirement for the fine and/or restitution is modified as follows:
- Based on the Government's motion, the Court finds that reasonable efforts to collect the special assessment are not likely to be effective. Therefore, the assessment is hereby remitted.

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18, United States Code, for offenses committed on or after September 13, 1994 but before April 23, 1996.

DEFENDANT ORGANIZATION: **TRAFIGURA AG (Incorporated Under the Laws of Switzerland)**

CASE NUMBER: **6:06CR00064-001**

SCHEDULE OF PAYMENTS

Having assessed the organization's ability to pay, payment of the total criminal monetary penalties shall be due as follows:

- A Lump sum payment of _____ due immediately, balance due
 - not later than _____, and/or
 - in accordance with C, D, and/or E, below; or
- B Payment to begin immediately (may be combined with C, D, or E below); or
- C Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E Special instructions regarding the payment of criminal monetary penalties:
Make all payments payable to: U.S. District Clerk, P.O. Box 1638, Victoria, TX 77902

All criminal monetary penalties are made to the clerk of the court, unless otherwise directed by the court, the probation officer, or the United States attorney

The defendant organization shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

Joint and Several

**Case Number
(Including Defendant Number)**

Defendant Name

**Joint and Several
Amount**

See Additional Defendants Held Joint and Several sheet.

The defendant organization shall pay the cost of prosecution.

The defendant organization shall pay the following court cost(s):

The defendant organization shall forfeit the defendant organization's interest in the following property to the United States: \$9,937,551.59 per the order of forfeiture filed at sentencing that is attached to this judgment.

See Additional Forfeited Property Sheet.

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) community restitution, (6) fine interest, (7) penalties, and (8) costs, including cost of prosecution and court costs.

B

UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
FILED

MAY 25 2006

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
VICTORIA DIVISION

Michael N. Milby, Clerk of Court

UNITED STATES OF AMERICA

VS

TRAFIGURA AG
(Incorporated under the laws of
Switzerland)

§
§
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CRIMINAL NO. **06-64**

PLEA AGREEMENT

The United States of America, by and through Donald J. DeGabrielle, Jr., United States Attorney for the Southern District of Texas, and Melissa Annis, Assistant United States Attorney, and defendant, Trafigura AG, and defendant's counsel pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, state that they have entered into an agreement, the terms and conditions of which are as follows:

TERMS OF THE AGREEMENT

1. The defendant agrees to give up the right to be indicted by a grand jury and agrees to plead guilty to Counts One and Two of the Criminal Information (hereinafter "Information") in this case and to persist with that plea.
 - a. The defendant agrees that this Agreement will be executed by an authorized representative. Defendant further agrees that a

Resolution duly adopted by the Board of Directors of Trafigura AG, attached to this agreement as Exhibit 1, represents that the signatures on this Agreement by Trafigura AG's counsel are authorized by Trafigura AG's Board of Directors.

b. The defendant further agrees to pay immediately to the United States a fine in the amount of \$8,000,000.00 and warrants it has hired outside counsel to conduct compliance reasonably capable of reducing the prospect of conduct which violates U.S. law.

c. Further, the defendant agrees in addition to the fine, to immediately forfeit, and hereby does forfeit to the United States the sum of \$9,937,551.59 as provided in the Agreed Order of Forfeiture at Sentencing being filed in this case. The defendant agrees there is a direct and sufficient nexus, as required by Fed.R.Crim. P. 32.2(b)(1), between the defendant's violations of 18 U.S.C. § 542 as charged in the Criminal Information, and the proceeds the United States seeks to forfeit, namely, \$9,937,551.59. The defendant consents to and joins in any motion, agreed order of forfeiture, or judgment, and agrees to execute all documents necessary to accomplish the purposes contemplated by this provision. The defendant agrees to take whatever steps are necessary to convey clear title to forfeitable assets to the United States including but not limited to providing an

agreement by the defendant's parent company, subsidiaries and/or affiliates not to contest in any criminal or civil proceeding the forfeiture of \$9,937,551.59.

d. The defendant also agrees, in addition, to immediately pay civil penalties to the United States in the amount of \$1,900,000.00 executed through a written settlement agreement with the Office of Foreign Assets Control (hereinafter OFAC), United States Department of Treasury.

e. The defendant agrees, along with the United States and OFAC, that all money due and owing the United States as a result of this criminal prosecution and the civil settlement with OFAC shall be paid immediately from the blocked funds on account at JP Morgan Chase pursuant to the action of OFAC in approximately November of 2001.

2. Counts One and Two, in pertinent part, charge the defendant with Entry of Goods into the United States by Means of False Statements without reasonable cause to believe the truth of such statements, in violation of Title 18, United States Code, Section 542.

3. In exchange for the defendant's plea of guilty to the Criminal Information in this case as well as the defendant's agreements outlined in paragraph one of this written plea agreement, the United States agrees to

recommend the Court impose a fine of \$8,000,000.00 and will seek no further restitution or probation. The United States agrees that the defendant may cancel its \$10,000,000 letter of credit posted at the request of OFAC and any balance remaining from the funds blocked by OFAC in the JP Morgan Chase account will be turned over to the defendant once all financial obligations imposed on the defendant by this agreement, including forfeiture, are satisfied. Further, the United States Attorneys for the Southern District of Texas and the Southern District of New York agree not to further prosecute Trafigura AG for federal offenses stemming from the transactions alleged in the Criminal Information in this cause should the defendant abide by each term of the plea agreement.

PENALTY

4. The penalty for a violation of Title 18, United States Code, Section 542 includes a possible period of probation from one year to five years, a fine of up to twice the gross gain or loss resulting from the offense, and a \$400 Mandatory Special Assessment per count of conviction. Title 18, United States Code, Sections 3551(c), 3561, 3571(d), and 3013(a)(2)(B). See paragraphs one and three for the parties' agreement as to imposition of punishment.

a. The defendant hereby stipulates and agrees not to institute or participate in any proceeding to interfere with, alter, or bar

enforcement of any fine, special assessment or forfeiture order pursuant to the automatic stay or other provision of the United States Bankruptcy Code.

b. The defendant agrees that nothing in this plea agreement is intended to release the defendant from any and all of the defendant's excise and income tax liabilities and reporting obligations for any and all income not properly reported and/or legally or illegally obtained or derived.

WAIVERS

5. The defendant is aware that Title 18, United States Code, Section 3742 affords a defendant the right to appeal the sentence imposed. Knowing that, the defendant waives the right to appeal the plea, conviction and sentence (or the manner in which it was determined) on the grounds set forth in Title 18, United States Code, Section 3742. This agreement does not affect the rights or obligations of the United States as set forth in Title 18, United States Code, Section 3742(b).

6. The defendant is also aware that the United States Constitution and the laws of the United States, including Title 28, United States Code, Section 2255, afford the defendant the right to contest or "collaterally attack" its conviction or sentence after his conviction has become final. Knowing that, the defendant knowingly waives the right to contest or "collaterally

attack” the defendant’s plea, conviction and sentence by means of any post-conviction proceeding.

7. Defendant waives all defenses based on venue, speedy trial under the United States Constitution and Speedy Trial Act, and the statute of limitations, in the event that (a) Defendant’s conviction is later vacated for any reason, (b) Defendant violates any provision of this Agreement, or (c) Defendant’s plea is later withdrawn. Further the defendant waives any and all constitutional and non-jurisdictional defects.

8. This plea agreement binds only the United States Attorney’s Office for the Southern District of Texas and the defendant; it does not bind any other United States Attorney except as stated in paragraph 3 of this written plea agreement.

RIGHTS AT TRIAL

9. The defendant represents to the Court that defendant is satisfied that the defendant’s attorney has rendered effective assistance. Defendant understands that by entering into this Agreement, the defendant surrenders certain rights as provided in this Agreement. Defendant understands that the rights of defendants include the following:

- a. If the defendant persisted in a plea of not guilty to the charges, defendant would have the right to a speedy jury trial with the assistance of counsel. The trial may be conducted by a judge sitting**

without a jury if the defendant, the United States and the court all agree.

b. At a trial, the United States would be required to present its witnesses and other evidence against the defendant. The defendant would be able to confront those witnesses and the defendant's attorney would be able to cross-examine them. In turn, the defendant could, but would not be required to, present witnesses and other evidence on his own behalf. If the witnesses for the defendant would not appear voluntarily, the defendant could require their attendance through the subpoena power of the Court.

c. At a trial, the defendant could rely on a privilege against self-incrimination and decline to testify, and no inference of guilt could be drawn from such refusal to testify. However, if the defendant desired to do so, he could testify on his own behalf.

10. The defendant understands that nothing in this plea agreement will restrict access by the United States Probation Office or the Court to information and records in the possession of the United States or any of its investigative law enforcement agencies, including State and local law enforcement agencies, as well as information, documents and records obtained from the defendant.

BREACH OF THE PLEA AGREEMENT

11. If the defendant should fail in any way to fulfill completely all of the obligations under this plea agreement, the United States will be released from its obligations under the plea agreement.

12. It is understood by the defendant and the United States that should the defendant fail to comply with any of the obligations set forth in this agreement or violate any of the terms or conditions set forth in this agreement or engages in any criminal activity through sentencing, the United States shall be released from its obligations under this agreement, yet the defendant's plea and sentence will stand and the Southern District of Texas may institute or re-institute prosecution including but not limited to enhancement of the sentence and may prosecute the defendant for any and all violations of Federal law which the defendant may have committed. For purposes of this paragraph, the defendant waives any statute of limitations that may apply to any such Federal offenses or counts. Whether the defendant has breached any provision of this plea agreement shall be determined by the United States.

FACTUAL BASIS

13. Should the defendant proceed to trial, the following facts among others would be proven beyond a reasonable doubt: . . .

Subsequent to the Iraqi military invasion of Kuwait, the United

Nations (hereinafter U.N.), on August 6, 1990, imposed economic sanctions on the Government of Iraq. These sanctions prohibited member states of the U.N. from, among other things, trading in any Iraqi commodities or products. The U.N. continued to enforce these sanctions into 2003.

On April 14, 1995, the Security Council of the U.N. adopted Resolution 986, which authorized the Government of Iraq to sell oil under certain conditions. The proceeds of all sales of Iraqi oil from the State Oil Marketing Organization, (hereinafter "SOMO") were to be deposited into an escrow bank account monitored by the U.N. and used by the Government of Iraq only to purchase humanitarian goods. The "Oil-for-Food Program" was then established by the U.N. office of Iraq Programme to administer the sale of oil and purchase of humanitarian goods by Iraq. A special bank account was established to handle these sales and purchases. Under the Oil-for-Food Program, the government of Iraq selected the companies and individuals who received rights to purchase Iraqi oil. Ibex Energy of France was one of the companies selected by SOMO to purchase and lift Iraqi oil during 2001. Each purchase was subject to the approval of the U.N. Security Council Committee established by resolution 661 (1990).

Voyage I

On April 11, 2001, Ibex Energy of France obtained U.N. authorization to purchase and lift 1,800,000 barrels of Basrah Light crude

oil from SOMO. On April 30, 2001, Trafigura Beheer entered into an agreement with Ibex Energy to purchase approximately 1,800,000 barrels of Basrah Light crude oil. On May 16, 2001, the U.N. issued a Notification to the Master of the vessel *Essex* (a very large crude carrier) authorizing the shipment of only 1,798,385 net barrels of Basrah Light crude oil from Iraq for discharge in the United States. Payment for 1,798,385 barrels of Iraq Basrah Light crude oil shipped on the *Essex* to the United States, was paid for through the U.N. escrow account as required.

In May of 2001, Roundhead Inc., a Nassau, Bahamas corporation and subsidiary of Trafigura, contracted with Ibex Service & Equipment BVI to purchase between 200,000 and 300,000 barrels (approximately 229,237 barrels were ultimately loaded in Iraq and imported into the United States) of Basrah Light crude oil. The payment for this quantity of Basrah Light crude oil was ultimately not deposited into the U.N. escrow account in violation of U.N. Resolution 986.

In May 2001, Trafigura AG marketed and sold both parcels- totaling approximately 2,022,000 barrels, including the 229,237 barrels of oil- to two oil refinery customers in Houston, Texas. In selling this crude oil to the two Houston energy companies, Trafigura AG warranted to its customers that the oil was "obtained pursuant to all necessary approvals and in accordance with all applicable procedures of U.N. resolution 986 and the

U.N. Security Council Committee” established by SCR 661. This was a false statement and the defendant lacked reasonable cause to believe the truth of such statement. Further, Trafigura AG provided these warranties and documentation to its U.S. customers knowing they would rely on them to make a U.S. Customs entry declaration. As a result of that statement, unauthorized barrels of Iraqi crude oil were introduced into the commerce of the United States on or about July 2, 2001. A payment of \$5,183,887.43 for the unauthorized crude oil is subject to forfeiture.

Voyage II

In July 2001, IBEX Energy obtained a U.N. authorization to purchase and lift 7 million barrels of Iraqi oil, 1,787,407 barrels of which was authorized to be lifted for transport to the United States by the *Essex*. Trafigura Beheer purchased the 1,787,407 barrels from Ibex Energy and payment for this oil was made through the U.N. escrow account as required.

On August 1, 2001, Roundhead, Inc. agreed to buy from Ibex Services & Equipment BVI an additional 200,000 to 300,000 barrels (approximately 271,669 were lifted in Iraq and transported on the *Essex*) of Basrah Light Crude Oil. The payment to SOMO for this oil was not deposited into the U.N. escrow account.

In September and October 2001, Trafigura AG marketed and sold


both parcels- totaling approximately 2,089,000 barrels including the 271,669 barrels - to two refinery customers, one in Houston and one in South America. In selling this crude oil to the Houston energy company, Trafigura AG warranted to its customer that the oil was “obtained pursuant to all necessary approvals and in accordance with all applicable procedures of U.N. resolution 986 and the U.N. Security Council Committee” established by SCR 661. This was a false statement and defendant lacked reasonable cause to believe the truth of such statement. Further, Trafigura AG provided these warranties and documentation to its U.S. customer knowing it would rely on them to make a U.S. Customs entry declaration. As a result of that statement, the unauthorized barrels of Iraqi crude oil were introduced into the commerce of the United States on or about October 16, 2001. A payment of \$4,753,664.16 for the unauthorized crude oil is subject to forfeiture.

Prior to the United States company paying Trafigura AG’s invoices for the crude oil, OFAC sent a letter to the Houston company blocking the payments to Trafigura AG. The U.S. company was instructed to put the money in an account at JP Morgan Chase in Houston. This money and accruing interest are still on deposit. Trafigura also provided a \$10,000,000 letter of credit, which is held by OFAC, as a bond surety for Trafigura’s agreement to come under United States jurisdiction with regard to

violations of U.N. sanctions and resolutions.

14. This written agreement constitutes the complete plea agreement between the United States, the defendant, and the defendant's counsel. No promises or representations have been made by the United States except as set forth in writing in this plea agreement. The defendant acknowledges that no threats have been made against the defendant and that the defendant is pleading guilty freely and voluntarily because the defendant is guilty. Any modification of this plea agreement shall be valid only as set forth in writing in a supplemental or revised plea agreement signed by all parties.

Executed on this the 25th day of May, 2006.



Trafigura AG
Signed by Counsel with Approval of
Board of Directors (Exhibit 1)


SUBSCRIBED AND SWORN TO BEFORE ME on this the _____ day of
May, 2006.

MICHAEL N. MILBY, Clerk

By:
Deputy Clerk

APPROVED:

DONALD J. DeGABRIELLE, JR.
UNITED STATES ATTORNEY

Assistant United States Attorney


Attorney for the Defendant

Trafigura AG

Postfach 4867, Zurichstrasse 5, 8002 Lucerne, Switzerland
Tel: +(41) 41 419 4343 - Fax: +(41) 41 419 4344 - Telex: 868001 TRAF CH

Resolution of the Board of Directors of Trafigura AG

The undersigned, being the directors of Trafigura AG, a Swiss company under the Canton of Lucerne, Switzerland, acting by written consent in lieu of a meeting of the Board of Directors of the Company hereby adopts, approves and authorises the resolutions set forth below pursuant to the Articles of Incorporation, and hereby directs the Secretary of the Company to place this consent in the minuted proceedings of the board:

RESOLVED

1. Trafigura AG agrees to plead guilty in the United States District Court for the Southern District of Texas to two counts of violating 18 U.S.C. section 542. Trafigura AG understands its right in the United States to be charged by grand jury indictment, and Trafigura AG knowingly and voluntarily waives that right and consents to being charged by "criminal information" instead.

RESOLVED

2. Trafigura AG agrees to the plea agreement in this case and settlement with the United States Department of Treasury Office of Foreign Asset Control ("OFAC"). Trafigura AG understands and knowingly and voluntarily waives the rights described in the plea agreement (and also the right to the preparation of a PreSentence Report before sentencing). Trafigura AG understands and agrees that the forfeiture, fine, and penalty in these settlements will be paid in full out of the blocked account.



Exhibit 1

Trafigura AG

Postfach 4867, Zurichstrasse 5, 8002 Lucerne, Switzerland
Tel: +(41) 41 419 4343 - Fax: +(41) 41 419 4344 - Telex: 868001 TRAF

RESOLVED

3. Trafigura AG understands its right to be present for court proceedings in the United States and agrees to appear through the following counsel pursuant to Rule 43 of the Federal Rules of Criminal Procedure:

David Gerger, Houston, Texas, and/or Peter Rodgers,
Washington, D.C.

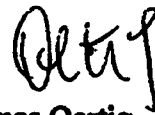
Either of these counsel may represent Trafigura AG in all matters relating to this case, including without limit: signing a waiver of indictment; moving to waive the Pre-Sentence Report; signing and entering a guilty plea; authorizing the immediate payment of the forfeiture, fine and penalty out of the blocked account; appearing at sentencing; and otherwise presenting pleadings and answering in court.

Dated as of May 20th, 2006

Approved:



Eric de Turckheim
Member of the Board



Thomas Oertig
Member of the Board

C

Form 422
(Revised 05/11)

Return in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: See instructions



**Amendment to Registration
To Disclose a Change Resulting from
A Conversion or Merger**

FILED
In the Office of the
Secretary of State of Texas
FEB 20 2015
Corporations Section

Entity Information

1. The legal name of the converting or merging entity is:

TRAFIGURA AG DBA TRAFIGURA AG INC.

State the name of the entity as currently shown in the records of the secretary of state.

2. If the entity attained its registration under an assumed name, the qualifying assumed name as shown on the records of the secretary of state is:

3. The application for registration was issued to the entity on: 12/21/1995

mm/dd/yyyy

The file number issued to the filing entity by the secretary of state is: 0010779306

Reason for Transfer of Registration

4A. The application for registration is amended to disclose a change resulting from a conversion from one type of foreign entity to another type of foreign filing entity in order for the converted entity to succeed to the registration of the converting entity. The name, jurisdiction of organization, and entity type of the converted entity succeeding to the registration are:

Trafigura Trading LLC

Name of Entity Succeeding to Registration

Delaware

Jurisdiction of Organization

Limited Liability Company

Type of Entity

4B. The application for registration is amended to disclose a change resulting from a merger into another foreign filing entity in order for the entity that survived or resulted from the merger to succeed to the registration of the merging entity. The name, jurisdiction of organization, and entity type of the entity succeeding to the registration are:

Name of Entity Succeeding to Registration

Jurisdiction of Organization

Type of Entity

Changes to the Application for Registration

(Attach a completed application for registration.)

5. The entity succeeding to the registration hereby attaches an application for registration setting forth the information applicable to that entity and amends the prior registration accordingly.

Form 422
FEB 20 2015

Secretary of State

Effectiveness of Filing (Select either A, B, or C.)

- A. This document becomes effective when the document is filed by the secretary of state.
- B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

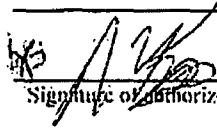
The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: Feb 1, 2015

By: _____



Signature of authorized person

Jeff Kopp

Printed or typed name of authorized person (see instructions)

Form 304
(Revised 05/11)

Submit in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: \$750



This space reserved for office use.

Application for
Registration
of a Foreign Limited
Liability Company

1. The entity is a foreign limited liability company. The name of the entity is:

Trafigura Trading LLC

Provide the full legal name of the entity as stated in the entity's formation document in its jurisdiction of formation.

2A. The name of the entity in its jurisdiction of formation does not contain the word "limited liability company" or "limited company" (or an abbreviation thereof). The name of the entity with the word or abbreviation that it elects to add for use in Texas is:

2B. The entity name is not available in Texas. The assumed name under which the entity will qualify and transact business in Texas is:

The assumed name must include an acceptable organizational identifier or an accepted abbreviation of one of these terms.

3. Its federal employer identification number is: 06-1436098

Federal employer identification number information is not available at this time.

4. It is organized under the laws of: (set forth state or foreign country) Delaware

and the date of its formation in that jurisdiction is: 01/31/2015

5. As of the date of filing, the undersigned certifies that the foreign limited liability company currently exists as a valid limited liability company under the laws of the jurisdiction of its formation.

6. The purpose or purposes of the limited liability company that it proposes to pursue in the transaction of business in Texas are set forth below.

The purpose of the company is to engage in any lawful activity permitted under the Texas Business Organizations Code.

The entity also certifies that it is authorized to pursue such stated purpose or purposes in the state or country under which it is organized.

7. The date on which the foreign entity intends to transact business in Texas, or the date on which the foreign entity first transacted business in Texas is: UPON FILING

mm/dd/yyyy. Late fees may apply (see instructions)

8. The principal office address of the limited liability company is:

1401 McKinney St., Ste. 1500, Houston, TX 77010

Address City State Country Zip/Postal Code

Complete item 9A or 9B, but not both. Complete item 9C.

9A. The registered agent is an organization (cannot be entity named above) by the name of:

National Registered Agents, Inc.

OR

9B. The registered agent is an individual resident of the state whose name is:

First Name M.I. Last Name Suffix

9C. The business address of the registered agent and the registered office address is:

1999 Bryan Street, Suite #900, Dallas TX 75201-3136

Street Address City State Zip Code

10. The entity hereby appoints the Secretary of State of Texas as its agent for service of process under the circumstances set forth in section 5.251 of the Texas Business Organizations Code.

11. The name and address of each governing person is:

NAME AND ADDRESS OF GOVERNING PERSON (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
SEE ATTACHMENT				
First Name	M.I.	Last Name	Suffix	
OR				
IF ORGANIZATION				
Organization Name				
Street or Mailing Address		City	State	Country Zip Code

NAME AND ADDRESS OF GOVERNING PERSON (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
First Name	M.I.	Last Name	Suffix	
OR				
IF ORGANIZATION				
Organization Name				
Street or Mailing Address		City	State	Country Zip Code

NAME AND ADDRESS OF GOVERNING PERSON (Enter the name of either an individual or an organization, but not both.)				
IF INDIVIDUAL				
First Name	M.I.	Last Name	Suffix	
OR				
IF ORGANIZATION				
Organization Name				
Street or Mailing Address		City	State	Country Zip Code

Supplemental Provisions/Information

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing (Select either A, B, or C.)

- A. This document becomes effective when the document is filed by the secretary of state.
- B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____
- C. This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: FEB 1, 2015



Signature of authorized person (see instructions)

JEFF KOPP

Printed or typed name of authorized person.

Trafigura Trading LLC
Member and Managers List

Member and holder of 100% of membership interest

Trafigura US Inc. - 1401 Mc Kinney St., Ste. 1500, Houston, TX 77010

Managers

Directors

Jeffrey Kopp - 1401 Mc Kinney St., Ste. 1500, Houston, TX 77010

Douglas Pratt, Secretary - 1401 Mc Kinney St., Ste. 1500, Houston, TX 77010

Officers

Jeffrey Kopp, President - 1401 Mc Kinney St., Ste. 1500, Houston, TX 77010

Douglas Pratt, Secretary - 1401 Mc Kinney St., Ste. 1500, Houston, TX 77010

Rodney Malcolm, Treasurer - 1401 Mc Kinney St., Ste. 1500, Houston, TX 77010