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American Shipper Container Maritime News Shipping

Cracking the case of the containerized cocaine

Guilty plea could spur progress a year after MSC Gayane drug raid

Greg Miller, Senior Editor  • Thursday, June 18, 2020  1,661  4 minutes read



 Cocaine found aboard MSC Gayane (Photo: CBP)



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The drug bust aboard the container-ship MSC Gayane on June 17, 2019, was spectacular in every sense: [the largest drug seizure in U.S. history, over a billion dollars' worth of cocaine](#), a ship operated by one of the world's largest carriers and owned by one of America's largest banks, a conspiracy among the crew, nighttime liaisons off the South American coast, a globe-spanning trafficking network ... it sounded like "Scarface at Sea."

A year later, the saga continues to unfold.

The key to prosecuting conspiracy cases is to pressure one of the conspirators into pleading guilty and providing evidence against the others. On Monday, Vladimir Penda, a citizen of Montenegro who served as fourth engineer on the MSC Gayane, pled guilty to charges of conspiracy to distribute cocaine. The maximum sentence is life; the minimum, 10 years.

Newly filed documents in the Penda court docket offer fresh details on the smuggling ring.

Together with other documents that have not been placed under seal or have been unsealed, and a leaked affidavit from a Department of Homeland Security (DHS) special agent, the following story has emerged:

Loading cocaine off South America

The MSC Gayane was built in 2018 and has a capacity of 11,600 twenty-foot equivalent units. At the time of the drug raid, it was calling on the west coast of South America in Callao, Peru, and Buenaventura, Colombia; transiting the Panama Canal; then calling in Cristobal in Panama, Freeport in the Bahamas, and Philadelphia; then crossing the Atlantic to Rotterdam, the Netherlands.



The 11,600-TEU MSC Gayane (Photo: Flickr/Kees Torn)

The new court filing, which is based on Penda's "direct knowledge of and participation in the bulk-cocaine smuggling scheme," alleges that at least eight of just over 20 crewmembers on board – or at least a third of the crew – were personally involved. Four of the co-conspirators were allegedly recruited in Montenegro prior to joining the ship.

The Penda filing alleges that the Montenegro crew coordinated with co-conspirators who were not on the ship using secure "narco" phones. According to the indictment of another crewmember, Nenad Ilic, filed in September 2019, those in the drug ring recruited other crewmembers and engaged "in acts of intimidation."

According to the affidavit of the DHS special agent (which is now under seal but was posted online prior to being sealed), the cocaine was loaded on the MSC Gayane at night when the ship was on the high seas during its southbound voyage from Panama to Peru, when it was met by six speedboats carrying bricks of cocaine, and then separately, when it was met by eight speedboats at night on the northbound journey from Peru to Panama.

"Crew members used the vessel's crane to hoist cargo nets full of cocaine onto the vessel and then stashed the cocaine in the vessel's shipping containers," said the plea filing by Penda, who was part of the team bringing the drugs aboard.

The DHS agent's affidavit quoted two crewmembers as alleging that those manning the crane and loading duffel bags full of cocaine into containers wore ski masks and other crew recruited to assist were paid \$50,000 each, with each high-seas loading operation taking 30-40 minutes.

The coke was hidden among legitimate cargo and fake seals were used to reseal the containers. One crewmember speaking to the special agent alleged that smuggling operations occurred on a prior voyage, as well.

The mega-bust and ship seizure

Federal, state and local law authorities raided the MSC Gayane when it arrived at the Packer Marine Terminal in Philadelphia on the morning of June 17, 2019. They found 15,582 bricks of cocaine hidden in the ship's containers, totaling 19.76 tons, with a value of \$1.3 billion.

No allegations were made against Mediterranean Shipping Company (MSC), founded by billionaire Gianluigi Aponte, the second-largest liner operator in the world. MSC thanked U.S. authorities and pledged full cooperation.

Nonetheless, it faced fallout. MSC was suspended for 90 days from the Customs and Border Protection (CBP) "trusted trader" C-TPAT program.



Cocaine bricks taken off the ship in Philadelphia (Photo: CBP)

In addition, the U.S. government seized the MSC Gayane on July 4, 2019, and commenced a forfeiture action, on the grounds that the vessel was used to facilitate a smuggling operation.

As of July 2019, the ship was valued at \$85 million; it was on lease to MSC, the operator, and owned by a Bermuda-based entity called Meridian 7. The Wall Street Journal reported that the ultimate owner of Meridian 7 was J.P. Morgan Asset Management. Ship data provided to FreightWaves by VesselsValue indicated that the ultimate owner of the ship was JP Morgan Global Maritime USA.

MSC and Meridian 7 argued that the seizure of the ship would cause them “extreme commercial prejudice and other hardship.” On July 12, 2019, an agreement was reached to allow the ship’s release after MSC placed \$10 million in a CBP security account and provided CBP with a \$40 million surety bond.

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The full text of the agreement was originally under seal and has not been previously covered in the media, but is now publicly accessible.

The document reveals that in addition to putting up \$50 million, MSC agreed to: disclose everything it knows about the criminal conduct of its employees, crew and officers in relation to the MSC Gayane incident; facilitate all interviews requested by U.S. authorities with any officer or crewmember of the MSC Gayane or any officer or employee of the entire company; assist the U.S. with serving any subpoenas of MSC crew or employees whether inside or outside the U.S.; refrain from taking any retaliatory actions against any employee cooperating with the U.S. and make a reasonable effort to prevent crewing agencies from doing so; comply with all U.S. subpoenas for records; assure that no liens are placed on the vessel; make no material alterations to the vessel without CBP approval; and if the agreement is broken, sail the ship back to U.S. waters, where the U.S. would seize it.

More to come ...

More developments are likely to follow the Penda guilty plea.



Another view of the coke found on the ship (Photo: CBP)

The only other crewmember who has been cited by name in non-sealed court filings is Ilic. A plea document was filed under seal in his case in February; Ilic's most recent hearing was held in May. U.S. court records also show seven other cases under seal where defendants' names are not revealed.

According to U.S. Attorney William McSwain, “Over the past year, prosecutors in my office, in conjunction with our partner agencies, have been working non-stop to pursue justice.”

The DHS- and CBP-led investigation goes on. “We want to send a strong message to criminals around the world,” affirmed McSwain. [Click for more FreightWaves/American Shipper articles by Greg Miller](#)

