

Treasury Intensifies Pressure on Iranian Oil Smuggling and Sanctions Evasion Schemes in Iraq

Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned a network of shipping companies and vessels led by Iraqi-Kittitian businessman **Waleed al-Samarra'i (al-Samarra'i)** for smuggling Iranian oil disguised as Iraqi oil. This network operates primarily by covertly blending Iranian oil with Iraqi oil, which is then marketed intentionally as solely of Iraqi origin to avoid sanctions. This scheme has generated hundreds of millions of dollars in revenue for both the Iranian regime and **al-Samarra'i** himself.

"Iraq cannot become a safe haven for terrorists, which is why the United States is working to counter Iran's influence in the country," said **Secretary of the Treasury Scott Bessent**. "By targeting Iran's oil revenue stream, Treasury will further degrade the regime's ability to carry out attacks against the United States and its allies. We remain committed to an oil supply free from Iran and will continue our efforts to disrupt the ongoing attempts by Tehran to evade U.S. sanctions."

IRAN-IRAQ NETWORK COMPLICIT IN IRANIAN OIL SMUGGLING

Waleed Khaled Hameed al-Samarra'i (al-Samarra'i), a citizen of both Iraq and St. Kitts & Nevis, is a United Arab Emirates (UAE)-based businessman who runs a network of companies managing vessels that have been involved in the sale of Iranian oil to international markets. This network operates primarily by covertly blending Iranian oil with Iraqi oil, which is then marketed intentionally as solely of Iraqi origin. Based on conservative estimates, al-Samarra'i's network generates around \$300 million of value to both Iran and its partners annually.

Al-Samarra'i relies on his two UAE-based companies, **Babylon Navigation DMCC (Babylon)** and **Galaxy Oil FZ LLC (Galaxy Oil)**, to manage his network's operations. While Babylon handles the logistics and shipping aspects of al-Samarra'i's operations, Galaxy Oil features as the main trader of al-Samarra'i's energy products on the global market.

To smuggle the Iranian-origin oil, al-Samarra'i uses a group of vessels operated by Babylon—the Liberia-flagged **ADENA, LILIANA, CAMILLA, DELFINA, BIANCA, ROBERTA, ALEXANDRA, BELLAGIO, and PAOLA**—to blend Iranian and Iraqi oil at sea, via ship-to-ship transfers in the Arabian Gulf, and in Iraqi ports. While Babylon manages and operates these vessels, al-Samarra'i relies on a number of Marshall Islands-based shell companies—**Tryfo Navigation Inc. (Tryfo), Keely Shiptrade Limited (Keely), Odiar Management S.A. (Odiar), Panarea Marine S.A. (Panarea), and Topsail Shipholding Inc. (Topsail)**—to serve as the registered owners of these vessels and likely further obfuscate the extent of al-Samarra'i's control over them.

To obscure their activity in smuggling Iranian oil, Al-Samarra'i's vessels use ship-to-ship transfers with U.S.-sanctioned vessels publicly affiliated with Iran's shadow fleet to distance themselves from direct interactions with the Iranian petroleum sector. Iran's network of tankers includes both Iranian and foreign-owned vessels that are used to evade international sanctions by concealing oil shipments. Al-Samarra'i's vessels also engage in other obfuscation techniques to hide their activities, such as unsafe ship-to-ship transfers at night, Automated Identification System (AIS) spoofing, and conspicuous gaps in AIS location reporting.

As a result of today's action, all property and interests in property of the designated or blocked persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked.

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