

OCEAN

GREENPEACE

# INQUIRER

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EXPOSING SEA CRIMES

WIDE OPEN  
TO ABUSE:

THE COMMON  
FISHERIES POLICY

A broken CFP is allowing EU countries to bloat already industrial-scale fleets at the expense of responsible fishing and the environmental and economic future of the ocean.



"TOÑO" SPAIN'S  
NOTORIOUS  
FISHING BARON

Manuel Antonio Vidal Pego



# NO FISH = NO FISHING

Europe's fish are disappearing.  
Europe's fisheries are heading towards collapse.

The future of Europe's seas is in jeopardy under an ageing 30-year-old Common Fisheries Policy (CFP). Corrupted by greedy stakeholders, cynical political bargaining and illegal conduct, this CFP has failed to achieve its core objective: sustainable fisheries in a healthy marine environment, supporting economically viable industry and employment. Instead, overfishing and environmental destruction has become endemic, with subsidies and quotas too often benefitting the most destructive companies rather than more sustainable, small-scale fishermen.

Today, according to the EU Commissioner for Fisheries, three out of four stocks are overfished;<sup>1</sup> including 82% of Mediterranean stocks and 63% of Atlantic stocks.<sup>2</sup> Illegal fishing is considered one of the most serious threats to the sustainable management of fish stocks.<sup>3</sup>

Amidst this European environmental, social and economic debacle, the industrial-scale sector of the Spanish fishing fleet plays a pivotal role. This issue of the Inquirer shows how public subsidies are allocated to a cosy network of Spanish fishing companies and operators, well-known for engaging in organised illegal fishing activities. It exposes the extent and ease to which the CFP is being abused by a powerful minority. And it shows that not only is Spain the largest recipient of EU fishing subsidies, but that this powerful minority is reaping the disproportionate share of the benefits.

The Greenpeace investigation laid out in this issue of the Inquirer

exposes a failure of governance and raises questions about the extent of political influence of some less than savoury elements of the Spanish fishing fleet, with Europe-wide implications. The Spanish government systematically favours industrial-scale fishing operations over small-scale and artisanal fishing fleets that, if nurtured, would not only offer greater employment, but far more potential for sustainable fishing practices.

**'THIS IS JUST THE BEGINNING. WE ARE UP AGAINST CARTELS WITH WORLDWIDE RAMIFICATIONS. WE CAN'T SPARE ANY EFFORT IF WE ARE TO DEFEAT THEM.'**<sup>4</sup>

EU Fisheries Commissioner Maria Damanaki

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# SPOTLIGHT ON SPAIN

A broken CFP is allowing Spain to prioritise the short-term financial interests of its industrial-scale fishing fleet at the expense of long-term sustainable fisheries management.

Spain boasts the largest fishing fleet in Europe.<sup>5</sup> It is over twice the size of the UK, Italian and French fleet respectively and larger than the combined fleets of Sweden, Portugal, Poland, Cyprus, Greece, Germany, Denmark and

Belgium.<sup>6</sup> The European Commission says that the EU fleet is too big and catches two to three times more fish than is sustainable.<sup>7</sup> This bloated overcapacity is fuelled by massive European taxpayer funded subsidies allocated particularly to Spain. In the latest fisheries subsidy round (2007-2013), Spain has been allocated a combined amount of over €1 billion – far more than any other country.<sup>8</sup>

Alongside the size of its fleet and the subsidies it receives, Spain catches the most fish and enjoys the most valuable fish-processing sector.<sup>9</sup> The industrial-scale operators are also well organised, represented through lobbyists at national, European and international level and are therefore well positioned to exert influence on politicians and bureaucrats in both Spain and at a European level.

As this issue of the Inquirer makes clear, at one end of the spectrum political influence shades into illegality. Prominent members of the Spanish fishing industry engage in illegal, unregulated and unreported fishing whilst still receiving subsidies and the authorities appear unconcerned with bringing them to justice. Illegal

fishing, said Commissioner Damanaki ‘is a form of organised crime with socio-economic consequences.’<sup>10</sup> The activities of this part of the sector demonstrate the extent to which the Spanish government has tolerated, even promoted, overfishing and the expansion of its bloated fleet at the expense of sustainability. The process of the CFP has become perverted via the apparent maladministration of the lax Spanish authorities who are neither controlling criminality nor illegality of the type outlined here.

Meanwhile, Spain’s small-scale fishing industry and its artisanal, more sustainable, fishermen are among the current losers under the CFP, despite the fact they actually represent over three quarters of the Spanish fleet. These groups often fish more selectively, less intensely, and provide the social, economic and cultural fabric that sustains many coastal communities and generate considerable employment. Yet they do not benefit from the CFP like the industrial-scale operators do, and often can’t be heard above the bellowing of the industrial-scale sector in important EU meetings in Brussels.

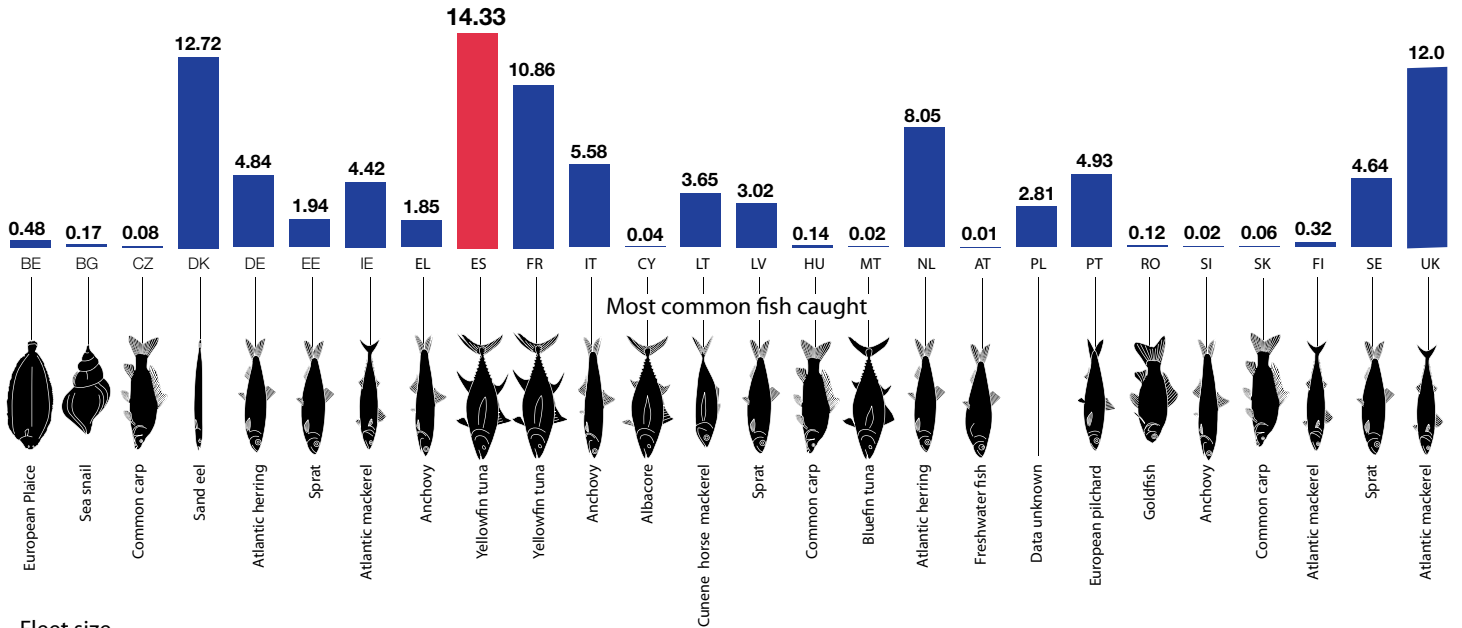


A rising tide © Tom Morgan-Jones / Greenpeace

# EU FISHING: SPOTLIGHT ON SPAIN<sup>11</sup>

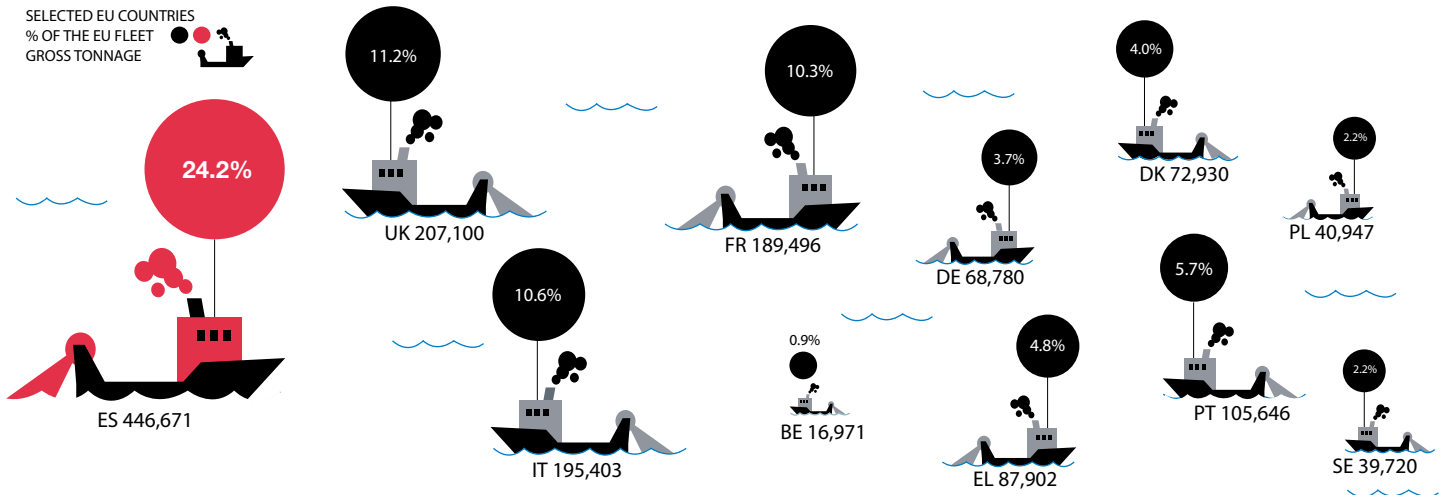
## Size of catch

% OF TOTAL EU CATCH



## Fleet size

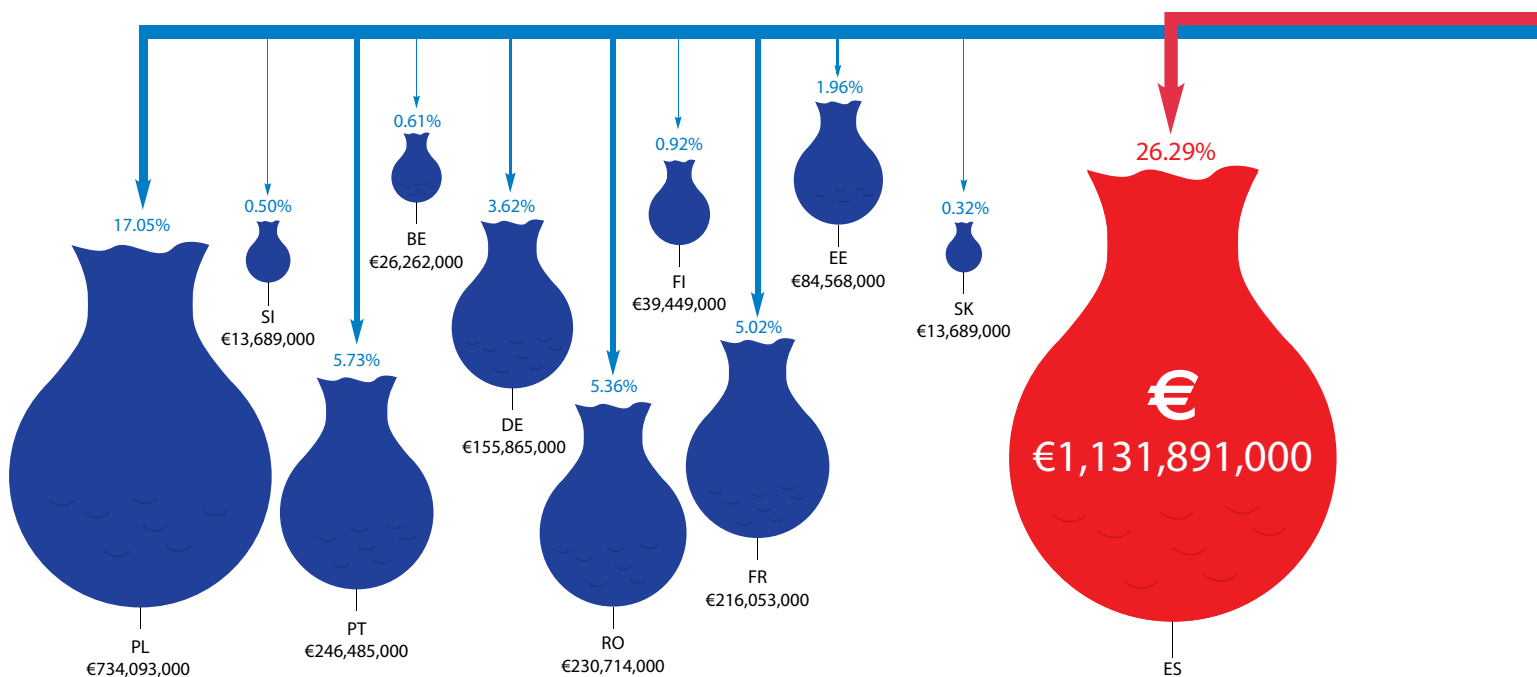
SELECTED EU COUNTRIES  
% OF THE EU FLEET  
GROSS TONNAGE



## Total fishing subsidies OVER 2007-2013

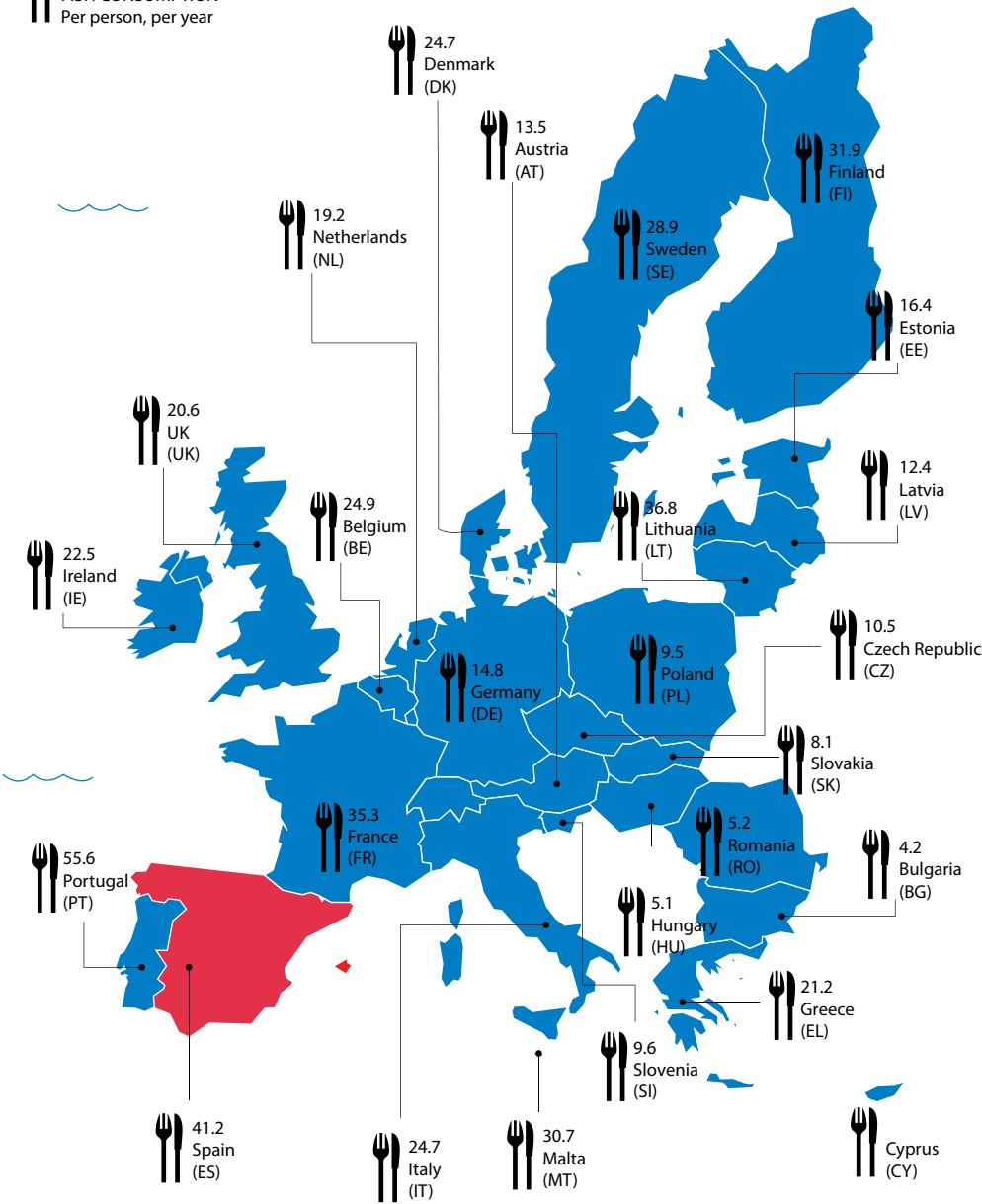
% OF EU SUBSIDIES  
BY COUNTRY

TOTAL AMOUNT OF FISHERIES  
SUBSIDIES RECEIVED PER COUNTRY

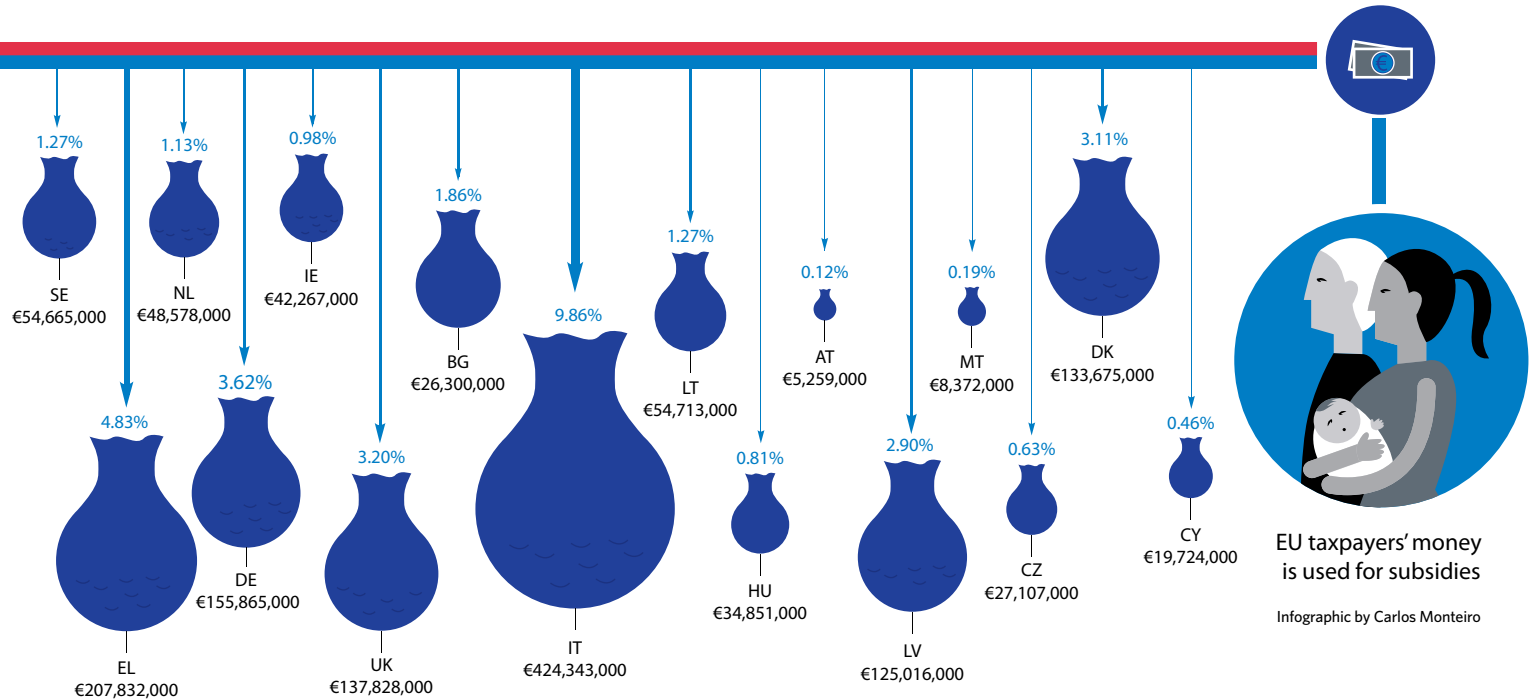
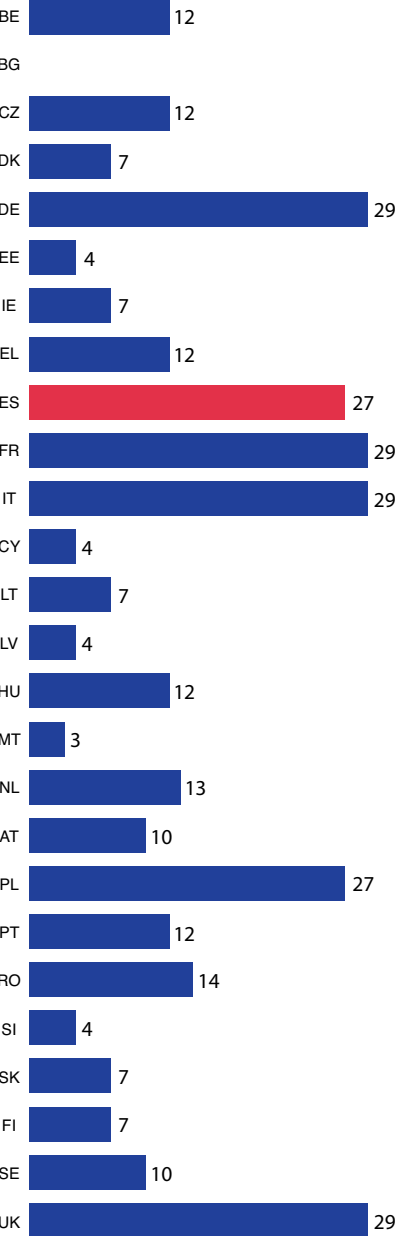


EU fish consumption

 kg  
FISH CONSUMPTION  
Per person, per year



EU Council votes



# A SNAPSHOT OF SUBSIDY-RECEIVING SPANISH VESSELS WITH CONVICTIONS FOR ILLEGAL FISHING

## KEY:

**VIDAL** Vessel owned by Vidal

€ Vessels that received subsidy after conviction

# SPANISH PIRATE FISHING

Some other industrial-scale Spanish fishing groups and their connections to illegal or unregulated fishing activities.

## OPAGAC - Organización de Productores Asociados de Grandes Atuneros Congeladores de España

In 2007, several Spanish vessels belonging to members of the largest trade association of Spanish tuna boats, canning factory operators and traders (OPAGAC), were caught fishing illegally or in an unregulated way in the Western Central Pacific Ocean.<sup>13</sup> The largest purse seiners in the world belong to members of this association and all 13 vessels in the fleet have received EU and Spanish subsidies totalling nearly €27 million between 1994-2006.<sup>14</sup> In 2010, Albacora SA, which owns the *Albacora Uno*<sup>15</sup> – a vessel belonging to this association – was denounced and charged with 67 counts of illegal fishing for operating inside the US Exclusive Economic Zone (EEZ) for two years with no valid permit. It was fined \$5 million.<sup>16</sup>

## Grupo Oya Pérez

A number of Grupo Oya Pérez trawlers have been caught illegally fishing, including fishing protected stocks and in areas off-limits to fishing. Some of the most notorious pirate fishing vessels are or have been part of the Oya Pérez fleet, such as the *Lootus II*, the *Ross (Limpopo)* and the *Garoya Segundo*.<sup>17</sup>

## Conservas Garavilla SA

In 2007, the *San Andres* – a vessel from this fleet – was caught fishing in violation of US domestic law, with no licence, inside the Jarvis Island EEZ by the US Coast Guard Agency. The company operates a number of tuna purse seiners and owns factories in Galicia and the Basque country in Spain, as well as in Agadir, Morocco and Manta, Ecuador.<sup>18</sup>

## Pescanova Group

Pescanova is a global Spanish based company that specialises in catching, processing, producing and distributing seafood products. It has a fleet of about 120 vessels and sells its products to markets in Japan, Europe and the USA. In 2009, Pescanova USA, a subsidiary of Pescanova was convicted of smuggling Patagonian toothfish worth US \$1.2 million (over £760,000 million) and put on corporate probation for five years.<sup>19</sup>



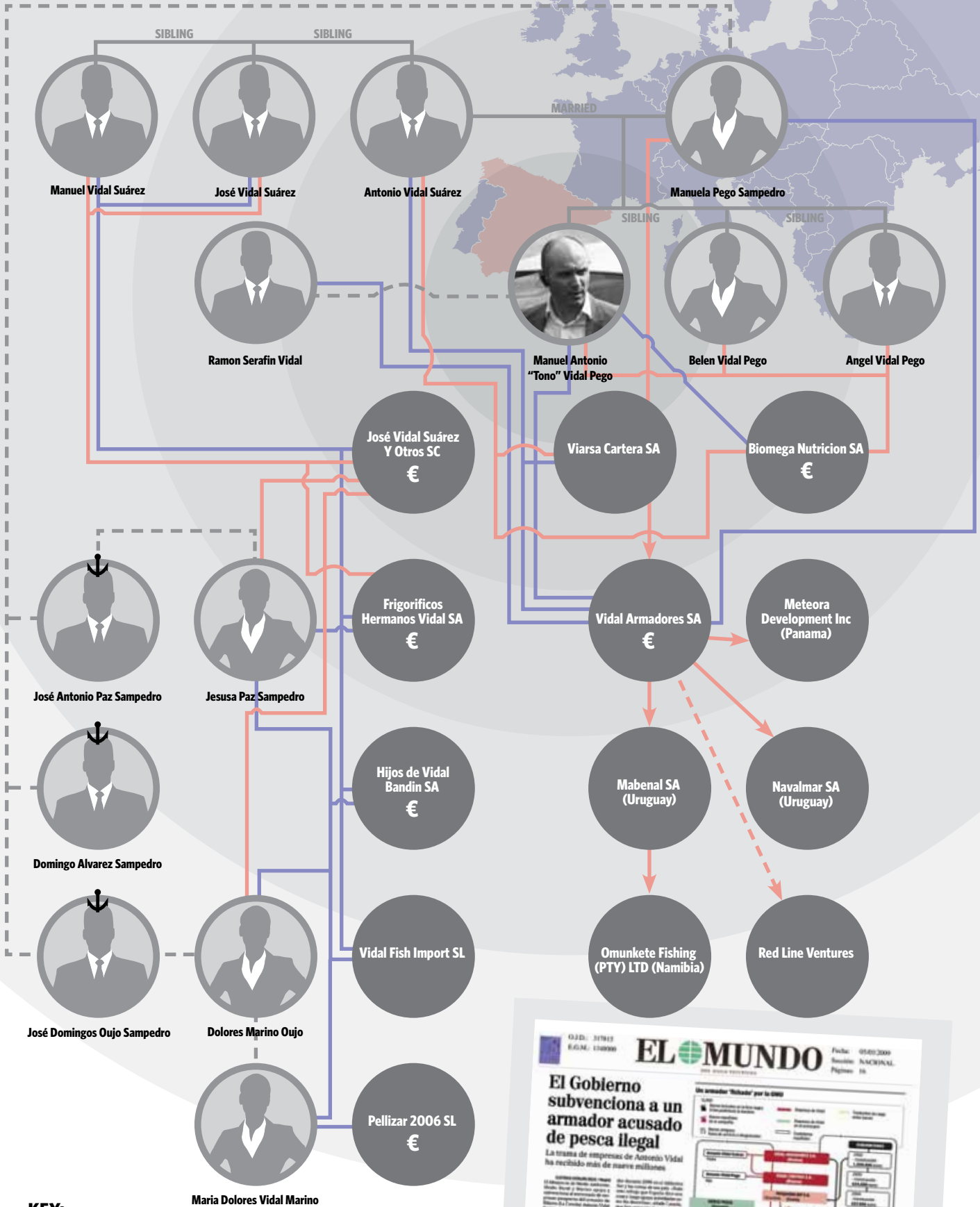
This snapshot is not exhaustive, it shows some of the owners and operators of some of the Spanish vessels that have been arrested, fined and convicted for illegal fishing. Some vessels received subsidies before being convicted, others went on to receive subsidies after they had broken the law.<sup>12</sup> Not all Vidal family network vessels are shown as not all are flagged to Spain. This demonstrates how subsidies under the current CFP can be abused to support criminal interests.

WATCH • VESSEL  
WATCH • VESSEL

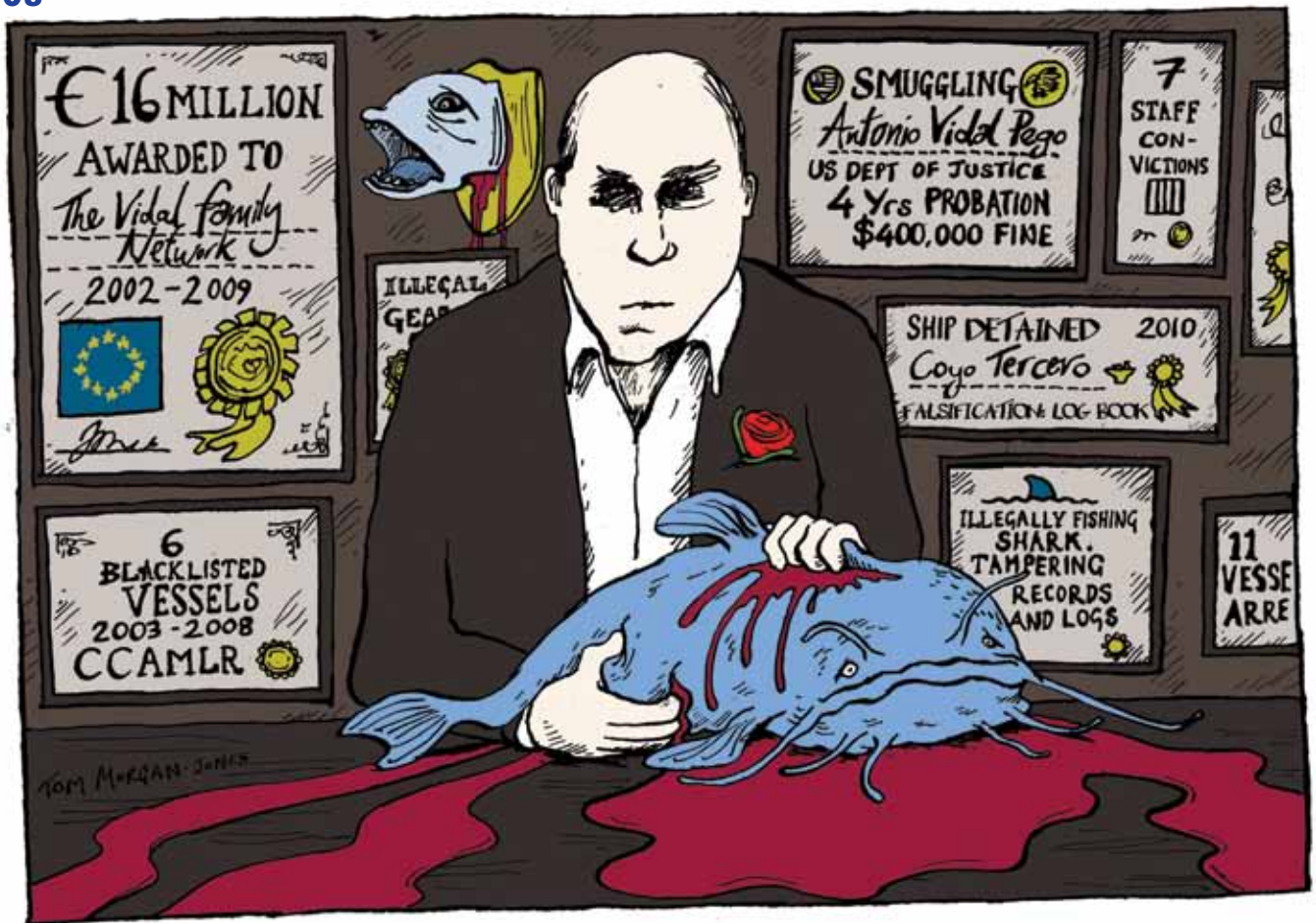
# THE VIDAL FAMILY NETWORK<sup>20</sup>

07

This shows the intricacies and extent of the Vidal family network; how individuals are related to each other and connected to various companies. A case study of this network follows overleaf.



Spanish national newspaper, El Mundo, reported Vidal connections over two years ago – but its government has not followed up on these leads.



Toño's monster deals © Tom Morgan-Jones / Greenpeace

## HOW CRIME PAYS FOR FISHING BARONS OF THE VIDAL FAMILY NETWORK

This extraordinary case study highlights the history of one of Spain's fishing barons, Manuel Antonio Vidal Pego, and his tangled web of associates, showing how together they are thwarting the law to plunder the seas – and EU taxpayers' pockets – in order to keep a criminally bloated business on the rise.

'ILLEGAL FISHING CONCERNS US ALL. IT IS A FORM OF ORGANISED CRIME WITH SOCIO-ECONOMIC CONSEQUENCES. THESE CONSEQUENCES REACH FAR BEYOND THE FISHING SECTOR OR THE ENVIRONMENT. THEY TOUCH UPON ISSUES OF JUSTICE, HUMAN RIGHTS AND GLOBAL GOVERNANCE. MARITIME LAW-ENFORCEMENT AGENCIES SEEM TO BE UP AGAINST CRIMINAL ORGANISATION, WITH TENTACLES IN MANY PORTS ALL OVER THE WORLD. THIS IS WHAT MAKES OUR COMBAT DIFFICULT. THIS IS WHY IT NEEDS TO BE FOUGHT THROUGH CONCERNED INTERNATIONAL ACTION.'<sup>21</sup>

**Maria Damanaki, European Commissioner for Maritime Affairs and Fisheries**

Manuel Antonio Vidal Pego is the boss of a family business operation based in Santa Eugenia de Ribeira, Galicia.<sup>22</sup> Together with his father, Antonio Vidal Suárez, he has stakes in a network of fishing related companies in Spain, Latin America and Africa, owning many of them outright.<sup>23</sup> This elusive network of companies and vessels has consistently flouted the law and the authorities.

Most of the family's fishing operations are directed through Vidal Armadores SA and the holding company Viarsa Cartera SA, both registered in Ribeira, Galicia,<sup>24</sup> these operations have

been described by one industry body as part of 'the Galician Syndicate.'<sup>25</sup> Vidal Pego has a direct familial relationship with the each of the current managers and executives of Vidal Armadores. His father Vidal Suárez is currently the company's Administrator and Manager, the Chief Financial Officer and Commercial Director are his siblings. Vidal Armadores is a wholly owned subsidiary of Viarsa Cartera. Its shareholders are all part of the same family: Vidal Pego himself, his father Vidal Suárez, his mother Manuela Pego Sampedro and his siblings Angel Vidal Pego and Belen Vidal Pego.

Vidal Pego and Vidal Suárez are also administrators of Viarsa Cartera<sup>26</sup> and therefore legal representatives of the company.

Various other family members, including Vidal Pego's mother, brother and sister, are also involved in the wider Vidal family network as shareholders, managers or directors.<sup>27</sup> Antonio Vidal Suárez's brothers, José and Manuel, own and/or control several further companies.<sup>28</sup> Crew lists suggest family connections with officers of Vidal vessels,<sup>29</sup> indicating that the family may also have direct links to illegal actions at sea.

Vidal Pego is a convicted criminal. He has a 2006 United States conviction for attempting to smuggle illegally caught Patagonian toothfish for which he was fined \$400,000 and put on 4 years' probation.<sup>30</sup> Yet between 2002 and 2009 alone Vidal family companies received almost €16 million in fishing subsidies,<sup>31</sup> meaning that European taxpayers have been funding the illegal activities of this family network for years. The Vidal family network is visually mapped on page 7.

Many Vidal vessels have extensive records of illegal, unreported and unregulated (IUU) fishing in the Southern, South Atlantic and Indian Oceans. But despite this, the Vidal family network continues to receive millions of euros in subsidies from the Spanish government and from the European Union. The money continues to flow, even for dubious projects and vessels that have engaged in IUU fishing. For instance, in 2005, the company José Vidal Suárez y Otros run by Vidal Pego's uncles, received money to build the *Coyo Sexto* on condition that an existing Spanish-flagged vessel of higher power was scrapped, as required under EU and Spanish law.<sup>32</sup> The Spanish-flagged *Genita de Corribon* was chosen, but after receiving the subsidy money, the company then requested that the *Genita De Corribon* continue fishing and a different vessel be scrapped. The *Greenwich* was chosen and the Spanish government agreed to the swap, but this vessel only had half the engine power and was not flagged to Spain at the time (in fact it was flagged to the UK) and so did not meet EU regulations.<sup>33</sup> Yet the nomination went ahead. This means that the Spanish government may have agreed to what was essentially an illegal substitution.<sup>34</sup> Greenpeace was able to verify over €4.5 million in subsidies went towards Vidal

family network vessel constructions between 2003 and 2006 alone.<sup>35</sup>

At least six Vidal family network vessels were blacklisted between 2003 and 2008 by the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), with three still on the blacklist in 2011.<sup>36</sup> Most of these vessels continued IUU fishing despite some being blacklisted for four or five further offences.<sup>37</sup>

In order to prevent, deter and eliminate illegal, unreported or unregulated (IUU) fishing many governments, the EU and regional fisheries management organisations (RFMOs) can blacklist vessels that take part in IUU fishing activities in their areas.<sup>38</sup>

The consequences of being blacklisted differ slightly between schemes, but generally blacklisted vessels will have their licence withdrawn, are not permitted entry into ports, may not land catches, refuel or be supplied in any way, will be inspected, may have fishing gear, catches or products seized, or be seized themselves, are likely to be fined and may be prosecuted for criminal damage.

Since 1999, there have been at least 11 arrests of Vidal family vessels and/or their officers by various countries,<sup>39</sup> mostly for illegal fishing in national EEZs, but also for having illegal gear, exceeding quotas, falsifying information and obstructing inspections. There have been at least seven convictions,<sup>40</sup> international fines totalling over €3 million and at least three vessels confiscated.<sup>41</sup> Antonio Vidal Suárez himself has also received a massive €2.7 million fine for fraud, which as of 21 July 2011 remains unpaid.<sup>42</sup>

Even Vidal Pego's 2006 US conviction changed nothing. Vidal Pego was prosecuted in the US for the illegal importation of Patagonian toothfish and for obstructing justice. He faced a maximum 20-year sentence for obstructing justice and a further five years for each of three other charges, in addition to a maximum fine of US\$250,000 on each charge or twice the gain from the crime (whichever was greater).<sup>43</sup> However, after pleading guilty to obstructing justice, Vidal Pego walked free with a US\$400,000 fine and four years' probation, on condition that he exit the toothfish industry. He also had to provide an extradition waiver<sup>44</sup> – which proved an empty threat, as he continued his involvement in the toothfish industry unmolested by US justice.

## CONSTANT CONTRAVENTIONS

The Spanish government has repeatedly granted Vidal's Spanish-flagged vessels permission to fish in waters controlled by regional fisheries management organisations (RFMOs);<sup>45</sup> certain vessels have subsequently broken licence and agreement terms. The government also negotiated a charter agreement with Namibia for a Vidal family vessel to fish in Namibian waters; the vessel flouted the terms of the agreement. Despite licence breaches by certain Vidal family vessels, subsidies continued to be awarded by the Spanish government to Vidal family companies that have links to these vessels.

### Example: The Belma

The Spanish government negotiated a charter agreement with Namibia for the Vidal Armadores owned *Belma* to fish in waters covered by the International Commission for the Conservation of Atlantic Tuna (ICCAT) in 2008.<sup>46</sup> However, in November that year it was reportedly discovered with potentially endangered deepwater sharks on board rather than the tuna and swordfish for which it was licensed.<sup>47</sup>

'THE TRADITIONALLY INDEPENDENT DEEP SEA FISHERS, OFTEN ROMANTICISED AS "LOVEABLE ROGUES" BY THE WIDER COMMUNITY, HAVE SET UP SOPHISTICATED BUSINESS ARRANGEMENTS...TO MAXIMISE PROFITS AND SPREAD RISK IN THE PURSUIT OF ILLEGAL ACTIVITIES. THIS IS WHAT IS CONVENTIONALLY KNOWN AS "ORGANISED CRIME".'<sup>48</sup>

**COLTO** The Coalition of Legal Toothfish Operators

## FOUR WAYS VIDAL FAMILY NETWORK VESSELS DODGE FISHING RESTRICTIONS



Toothfish – the white gold of the southern ocean – can grow over 2m long and weigh more than 100kg, they can live to 45 years and become sexually mature between 8 and 10.<sup>49</sup> Toothfish populations recover very slowly so they are vulnerable to over-exploitation. A single sashimi-grade toothfish can fetch as much as US\$1,000.<sup>50</sup>

Main picture: © Daniel Beltra / Greenpeace; Inset: © EuroCreon Co. Ltd / Alamy



A transhipment of cargo at night  
© Jeremy Sutton-Hibbert / Greenpeace

### 1. REFLAGGING / IDENTITY FRAUD

Some vessels such as the *Black Moon* (now the *Sima Qian Baru 22*) and the *Hammer* (now the *Xiong Nu Baru 33*), have been renamed and assigned to different countries (reflagged) several times,<sup>51</sup> to make it easier to avoid arrest for previous illegal or unregulated activities. Spanish-flagged, Vidal family network vessels which seem to have participated in illegal transhipments include the *Galaecia* and the *Paloma V*, investigated by New Zealand in 2008<sup>52</sup> and subsequently blacklisted. The *Galaecia* flouted the authority of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) while fishing for the so-called ‘white gold’ of the southern ocean, Patagonian toothfish (see the timeline on page 14).

### 2. TRANSHIPMENTS / FISH LAUNDERING

Vessels can transfer catches or supplies to other vessels at sea – this is called transhipment and is not always illegal. However, if fish are transferred from unlicensed or blacklisted vessels to other vessels and then landed, the illegal catch is essentially laundered so that it appears clean and legal, a practice that is generally prohibited by relevant authorities. In 2006, South African and Namibian authorities inspected the Vidal family network vessels’ *Black Moon* and *Chilbo San 33* (ex *Hammer*) upon arrival in port. Both vessels were at the time blacklisted by

the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and both were found to have no fish on board,<sup>53</sup> which raises the question of whether they had caught fish and transhipped this illegally. In 2007, a former crew member of the *Black Moon*, made CCAMLR aware of at least 14 separate transhipments involving the *Black Moon* between 2005 and 2006<sup>54</sup> and that: ‘the owner of many vessels [IUU vessels that had converted to gillnetting and transhipped gear and targeted species] was Vidal Armadores and opportunities might be provided in order to launder catches from such IUU vessels via licensed vessels.’<sup>55</sup>

### 3. TAMPERING WITH MONITORING EQUIPMENT

The Vidal-owned<sup>56</sup> *Viarsa 1* was caught falsifying vessel monitoring system (VMS) data in 2003 to evade fishing restrictions while operating in the Southern Ocean,<sup>57</sup> and the *Galaecia*’s fishing master was apparently convicted of a similar offence the following year.<sup>58</sup>

### 4. FALSIFYING CATCH LABELS

The crew of at least one Vidal vessel (again the *Black Moon*) has been reportedly fraudulently labelling boxes of fish caught with illegal gillnet gear as ‘longline fish’ and leaving vessel and catch location details blank to enable later falsification.<sup>59</sup>

Many species of sharks are endangered yet they are consistently overfished. Greenpeace is campaigning for a global network of marine reserves covering 40% of the world's oceans and for a more sustainable fishing industry, both necessary steps to restoring our oceans to health.

© Paul Hilton / Greenpeace



# MAPPING THE VIDAL FAMILY NETWORK FLEET

## STOP PRESS

At the time of going to print Greenpeace discovered that the UK-flagged vessel *Liper Dos* is owned by Santoleira S.L., another company that shares the same phone number as several other Vidal family network concerns.

*Liper Dos* was caught in foreign waters with illegally-fished shark fins worth over £1.1 million. The Vidal family network-associated vessel is currently wanted on 20 counts of illegal fishing by Truro crown court, Cornwall, UK; it continues to evade arrest, following its initial indictment over a year ago.<sup>61</sup>

WATCH • VESSEL  
WATCH • VESSEL



The *Liper Dos* © Juan B. Muñiz

## KEY:

- Owns/owned
- Charter/ed
- Operates/ed
- Has operated alongside
- ... Alleged links<sup>60</sup>
- No longer a fishing vessel
- Current Vidal network vessel
- Suspected Vidal network vessel (past/present)
- No direct evidence of Vidal ownership/operation
- CCAMLR blacklisted vessel
- EU blacklisted vessel
- Vidal family network-associated company
- Name**  
Current vessel names are underlined
- (Country)**  
Current flag

Since 2000 over 20 fishing vessels are believed to have been wholly or partly owned or operated by the Vidal network, with many under suspicion of illegal activity or other misconduct. This vessel map is not exhaustive and Greenpeace is uncovering new links all the time.<sup>60</sup>

## LATEST SIGHTINGS

Greenpeace's intelligence on several Vidal family network vessels:

**SCRAPPED:** *Viarsa 1* – following illegal fishing activities in Australian waters in 2003.<sup>62</sup>

**SEIZED:** *Apache* – by France and refitted for the French Navy sometime after 2004.<sup>63</sup>

**FORFEITED:** *Maya V* – to Australian authorities in 2004 after caught poaching Patagonian toothfish in Australian waters.<sup>64</sup>

**CONFISCATED:** *Antillas Reefer* – in 2008 the vessel was confiscated and fined \$4 million by the Mozambique authorities for illegally fishing shark, with illegal gear and tampering with electronic records and logs. It is now a fisheries patrol vessel.<sup>65</sup>

**SUNK:** *Galaecia* – sank in July 2008.

**DETAINED:** *Coyo Tercero* – reportedly detained by the UK authorities in June 2010 for falsification of log books.<sup>66</sup> Owned by Vidal Pego's uncles.<sup>67</sup>

**RENAMED:** *Paloma V* – now called *Yangzi Hua 44* and previously known to be economically tied to Vidal Armadores. Blacklisted.<sup>68</sup>

**WITNESSED:** *Yangzi Hua 44* – spotted close to CCAMLR waters in April 2011. Blacklisted.<sup>69</sup>

**RENAMED:** *Black Moon* – (aka *Magnus/ Corvus* etc) now called *Sima Qian Baru 22* last known to be operated by Vidal Armadores. Blacklisted.<sup>70</sup>

**RENAMED:** *Draco 1/ Hammer* now called *Xiong Nu Baru 33* and last known to be operated by Vidal Armadores. Blacklisted.<sup>71</sup>

**WITNESSED:** *Sima Qian Baru 22* – sighted in CCAMLR waters in February 2011.<sup>72</sup>

**WITNESSED:** *Xiong Nu Baru 33* sighted in CCAMLR waters in February 2011.<sup>73</sup>

**WITNESSED:** *Belma* – in Ribiera, in July 2011.<sup>74</sup>

## VIDAL ARMADORES SA

## HIJOS de VIDAL BANDIN SA

New World  
Investment  
INC (USA)

Red (or REP)  
Line Ventures  
SA

Meteora  
Development  
INC (Panama)

Mabegnal SA  
(Uruguay)

Seaport  
Management  
Services  
LLC (USA)

Navalmar  
SA (Uruguay)

Global  
Inter-Continental  
Services  
(Panama)

Omunkete  
Fishing  
(PTY) LTD  
(Namibia)

Eastern  
Holdings LTD

Staplefield  
Investments  
SA

IMO: 9142639  
Le Malin (France)  
Apache, America No. 1  
Caroline Glacial  
[CONFISCATED]

IMO: 9146352  
Muravyev-Amurskiy  
(Russia) Sea storm  
American Warrior  
Cristina Glacial,  
Mochiano, Cristina

IMO: 9265316  
Galaecia (Spain) [SUNK]

IMO: 9183104  
Belma (Spain)

IMO: 8608470  
Eternal (Netherlands Antilles)  
Arvisa 1, Camouco, St.  
Jean, Merced, Rita  
[CONFISCATED]

IMO: 8001335  
Viarsa 1 (Uruguay)  
Starlet No. 901  
[SCRAPPED]

IMO: 8882818  
Maya V (Uruguay)  
[CONFISCATED]

IMO: 9042001  
Xiong Nu Baru 33  
(N.Korea) Draco 1,  
Liberty, Chilbo San 33,  
Hammer, Carran

IMO: 7322897  
Sima Qian Baru 22  
(N. Korea) Corvus, Galaxy,  
Ina Maka, Black Moon,  
Red Moon, Eolo, Thule,  
Magnus, Dorita, Nova Tuna

IMO: unknown  
Cetan (N. Korea)

IMO: 93198556  
Yangzi Hua 44  
(Mongolia)  
Trosky, Paloma V

IMO: 7322926  
Heavy Sea (Panama),  
Duero, Keta, Sherpa Uno

IMO: 8512669  
Coyo (Spain)  
[DECOMMISSIONED]

IMO: unknown  
Luz Mar (Spain)  
Coyo Dos

IMO: 9265304  
Coyo Tercero (Spain)

IMO: 9319777  
Coyo Cuarto (Spain)

Coyo Cinco (Spain)

IMO: 9371701  
Coyo Sexto (Spain)

IMO: 9487445  
Coyo Septimo (Spain)

IMO: 8603688  
Antillas Reefer  
(Panama)  
Shinei Mar No. 81  
[CONFISCATED]

IMO: 8713392  
The Bird, Chu Lim, Yin Pong, Thor  
33, Ulyses, Gale, South, Boy, Piscis

IMO: unknown  
Red Lion 22 (Eq. Guinea)

IMO: 6607666  
Kily (Eq. Guinea)  
Constant,  
Tropic

IMO: 6622642  
Challenge (Panama)

IMO: 8324139  
Comet (Togo)  
Odin Milar

IMO: 6803961  
Seabull 22, Carmela,  
Gold, Dragon

# FAILING GOVERNANCE

## A CRIMELINE

Ongoing investigations, international pressure and a stream of illegal fishing: when will the Vidal family network and its vessels be brought to justice?

Investigations were opened against the Vidal family network vessel, *Galaecia*, six years ago in 2005, after an alleged illegal transshipment with the network's vessel, *Hammer* (now the *Xiong Nu Baru 33*). Yet despite evidence of further illegality – another alleged transshipment with the *Magnus* (now the *Sima Qian Baru 22*) – and sustained international pressure to pursue the matter and, where necessary, revoke the licences and impose appropriate sanctions, the Spanish Fisheries Ministry appeared reluctant to bring the culprits to justice.

### 2002:

The *Galaecia* was built in Spain with the help of a €1.5 million grant from EU and national subsidies.<sup>75</sup>

### 2002-2004:

Unknown, untracked events.

### 2004:

Allegations of illegal transshipments between the *Galaecia* and two other Vidal family vessels, the *Hammer* (now *Xiong Nu Baru 33*) and the *Magnus* (aka *Black Moon*, now *Sima Qian Baru 22*).<sup>76</sup>

### JULY 2004:

The *Galaecia*'s fishing master is fined and suspended for manipulating satellite devices and obstructing inspections.<sup>77</sup>

### NOVEMBER 2004:

The Spanish authorities grant Vidal Armadores – a Vidal family company – €1.3 million for an experimental fishing project allegedly to improve knowledge of Patagonian toothfish stocks.<sup>78</sup> The vessel chosen to carry out the project is none other than the *Galaecia*, already

tainted with illegality by the time of the first award.

### 2005:

Vidal Armadores was once again granted €1.3 million for a similar experimental fishing project as in 2004.<sup>79</sup>

### OCTOBER-NOVEMBER 2005:

At the annual meeting of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR), Spain meets international criticism of its decision to award the *Galaecia* a licence for a pilot fishing project, in view of Vidal Pego's US indictment and the fact that some of his vessels are already blacklisted.<sup>80</sup>

Following this, the Spanish Fisheries Ministry announces a formal investigation into the *Galaecia* for the alleged illegal transshipment with the *Hammer*.<sup>81</sup> However, this announcement fails to mention that the *Galaecia* has also apparently transhipped with a separate blacklisted Vidal vessel, the *Magnus*, operated by Vidal Armadores,<sup>82</sup> which unlike the *Hammer* was apparently already blacklisted at the time of the alleged transshipments.<sup>83</sup>

### DECEMBER 2005:

EU Commissioner Joe Borg (incumbent 2004-2010) calls on Spain to withdraw the *Galaecia*'s permission for the 2006 CCAMLR fishery.<sup>84</sup> His letter highlights that CCAMLR has identified at least six vessels which are confirmed as being operated by Vidal Armadores SA, at least some of which were also already blacklisted. He further warns that this 'undermines [the EU's] credibility to effectively combat global IUU

activities and [the EU's] commitment to sustainable fisheries management'.

### APRIL 2006:

Following further pressure from the Commission,<sup>85</sup> the then Spanish General Secretariat for Fisheries finally admits that the alleged second transshipment between the *Galaecia* and the *Magnus* (aka *Black Moon* / now *Sima Qian Baru 22*) is also being investigated.<sup>86</sup>

The announcement confirms that both transshipments were originally reported to authorities at the same time, by the observer on board the *Galaecia* – showing that only after many months of international pressure Spain has publicly acknowledged illegal incidents that it must have known about all along.

At the same time, Spain announces that the *Galaecia*'s permission to fish in CCAMLR waters in 2006 will be withdrawn. What the authorities do not disclose, however, is that despite the vessel being under investigation, it (along with the *Belma*) has been granted a 2006 licence to fish in Indian Ocean waters.<sup>87</sup>

### MARCH-MAY 2006:

Yet again, Commissioner Borg steps in, this time to criticise the Spanish authorities for failing to suspend the vessel's authorisation while the investigation is ongoing.<sup>88</sup> He recommends the vessel be called back to port. And he writes: 'the long-standing involvement of the Vidal Armadores company in IUU fishing also requires that [the Spanish] authorities adopt the necessary actions for the possible recovery of public funds granted to this firm under the [EU] framework.'<sup>89</sup>

## JUNE 2006:

Despite the existence of an eyewitness account of transshipment with a blacklisted vessel, Spain halts the *Galaecia* investigation, supposedly due to lack of evidence.<sup>90</sup>

## 2007:

Another illegal transshipment takes place between the *Galaecia* and the blacklisted *Hammer* (now *Xiong Nu Baru 33*).<sup>91</sup>

## DECEMBER 2007+ FEBRUARY 2008:

The Commission continues, on at least two separate occasions, to apply pressure on Spain to take action against the *Galaecia*.<sup>92</sup>

## JUNE 2008:

Spain opens a separate investigation into alleged falsification of documents relating to the 2007 illegal transshipment. The outcome remains unknown.

## JULY 2008:

The *Galaecia* sinks, reportedly having caught fire in the Indian Ocean, 486 miles from Madagascar.<sup>93</sup>

The same year, the Spanish government negotiates a charter agreement with Namibia for the *Belma*, another Vidal Armadores vessel, to fish in its waters.<sup>94</sup> It seems that, despite international pressure and a long list of IUU activities amongst the Vidal Armadores fleet, the Spanish authorities appear to have no difficulty in continuing to grant licences and lucrative subsidies whilst at the same time failing to conduct proper and thorough investigations.

## JANUARY 2009:

The Commission raises concerns in relation to information obtained in June 2008 about operations involving the IUU vessels *Paloma V*, *Ina Maka* (formerly *Black Moon*), and *Chilbo San 33* (formerly *Hammer*) and the *Galaecia* and *Belma*. Moreover, it states that it 'is highly concerned about this issue, and by the lack of concrete actions taken by Spain in relation to the two mentioned cases of the vessels *Galaecia* and *Paloma V* and threatens to take legal action itself if Spain fails to act against Vidal Armadores concerning the *Galaecia* and the blacklisted *Paloma V*.<sup>95</sup>

## JUNE 2009:

Finally, the Spanish authorities announce that as well as continuing their investigation of the now-sunk *Galaecia*, they have issued a detention warrant for the *Belma* on suspicion of

unauthorised catch, and are poised to start legal proceedings against the *Paloma V*.<sup>96</sup>

## SEPTEMBER 2011:

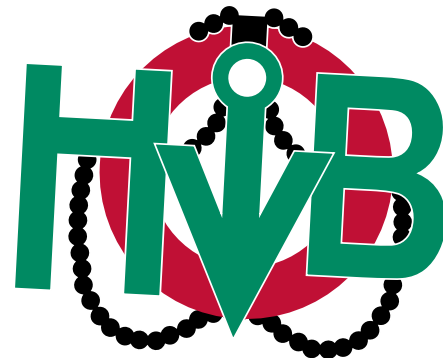
It is not clear what has happened since June 2009. While some of *Belma*'s recent activities are unknown, it has recently been spotted in Ribeira port in Spain. The former *Paloma V* (now renamed the *Yangzi Hua 44*<sup>97</sup>) still operates in the Southern Ocean,<sup>98</sup> and the former *Hammer* (now *Xiong Nu Baru 33*) and *Magnus* (now *Sima Qian Baru 22*) continue to be sighted inside CCAMLR waters.<sup>99</sup> All three vessels remain on the CCAMLR blacklist as of 2011.<sup>100</sup>

Despite years of international pressure, it's clear that the Spanish authorities have not taken appropriate action against the Vidal family network and in particular Vidal Armadores and vessels owned or operated by that company.

The repeated failure to deal with the systematic illegal and irregular conduct of Vidal Armadores can only be regarded as a failure of governance. Indeed, far from decisive action, relevant authorities appear to have complacently continued to offer support and assistance to the business activities of Vidal Armadores. For example, the publically subsidised *Galaecia* appears to have continued to engage in IUU activities largely unhindered until it sank. The Spanish administration's failure to impose effective sanctions and properly regulate the sector effectively amounts to tacit acceptance of this company's illegal activities.

'OPERATORS [SHOULD BE] DEPRIVED OF THE RIGHT TO CONTINUE FISHING WHEN OTHER PARTS OF THEIR FLEET HAVE BEEN INVOLVED IN IUU RELATED ACTIVITIES.'

EU Fisheries Commissioner Joe Borg (incumbent 2004-2010)



WATCH • VESSEL WATCH • VESSEL WATCH • VESSEL WATCH • VESSEL WATCH

### WHO IS RESPONSIBLE?

The Biomega Nutrición Omega-3 fish oil factory's original administrator was Manuel Antonio Vidal Pego. His was the only name listed on company records.<sup>108</sup> Since June 2010 other non-Vidal individuals have held management positions in the company – which may suggest an intention to downplay Vidal family connections with Biomega.<sup>109</sup> However, company records reveal that Biomega was initially registered at the same address and phone number as several other Vidal family network-associated companies.<sup>110</sup>

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### WHAT ARE THEY PROTECTING?

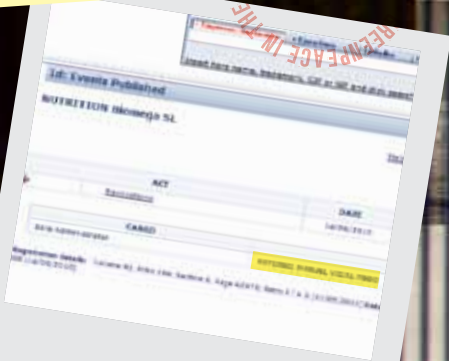
The Biomega Nutrición Omega-3 fish oil factory features blacked out windows, camouflaged security cameras and Suprema biometric fingerprint entry scanners, similar to the model pictured. No other fish oil factories that Greenpeace has visited possess anything like such high security measures as Biomega Nutrición. Which raises the question: why does a run-of-the-mill fish oil factory need such high security?



© Suprema

### OUT OF WORK?

Biomega Nutrición Omega-3's website, [www.biomeganutricion.es](http://www.biomeganutricion.es) shows a factory that is manufacturing fish oil capsules yet, as of the date of publication, there is no evidence of an operating factory at the site.<sup>113</sup> There is, for example, no flow of raw materials into the factory or goods coming out and no evidence of staff movement or recruiting. Despite repeated enquiries, there is no evidence of any intention to hire staff.



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### WHAT'S MISSING?

Other fish oil factories in the area have substantial building infrastructure, such as these storage tanks at the AMFAMSA fish oil factory in Vigo, that appears to be missing from the Biomega Nutrición factory.

### WHY SO SECRET?

Biomega Nutrición Omega-3 doesn't seem to be marketing itself to any potential buyers or otherwise actively driving business. Greenpeace has been unable to find any advertising for Biomega Nutrición Omega-3 products anywhere other than the single-page website mentioned above. It had no presence at the world's largest seafood fair, the European Seafood Exposition, which took place in Brussels in May 2011<sup>115</sup> and is not registered for the event in 2012. Other Omega-3 and fish oil producers exhibit at the fair.<sup>116</sup> When asked, not one of the Galician businesses present at the 2011 fair had any knowledge of fish oil being available from that location.

# UNDER INVESTIGATION:

## VIDAL'S "YOGHURT" FACTORY

The Vidal family network's latest venture has been awarded over €6.5 million in subsidies – to build a factory to produce Omega-3 fatty acids<sup>101</sup> from fish liver oil. It was the single largest subsidy payment to a Galician company in 2009<sup>102</sup> – €4 million was provided by the European Fisheries Fund,<sup>103</sup> the factory proudly displays its subsidy on a panel outside. The Biomega Nutrición building is in Boiro, Galicia.<sup>104</sup> In 2010 the Spanish authorities began investigating allegations regarding the links between this company and operators of vessels involved in IUU fishing activities of the kind outlined above.<sup>105</sup> The European Commission announced it was closely following this investigation.<sup>106</sup> But despite this, the construction of the factory has continued.

Given the allegations of links between the operators / owners of the Biomega Nutrición factory and the Vidal family network of vessels engaged in IUU fishing, Greenpeace investigators set out to uncover the truth about the factory.

Whether the operations of this plant are entirely genuine and whether it operates at all should be of interest to both European taxpayers and the European Commission which decided that subsidising the Vidal family network's new venture to the tune of €4 million was a good use of their funds. Even more disturbing is the extensive evidence presented here connecting the factory, the Vidal family and illegal fishing operations, raising the question: will this funding ever be properly accounted for?

### WHY DO WORKERS THINK IT'S A YOGHURT FACTORY?

Construction workers in June 2010 told Greenpeace that they were building a yoghurt factory.

'[THE COMMISSION IS] CLOSELY FOLLOWING THE CASE ON BIOMEGA NUTRICIÓN... AND IS ALSO IN CLOSE CONTACT WITH THE GALICIAN AUTHORITIES WHICH HAVE LAUNCHED A FULL ADMINISTRATIVE INVESTIGATION IN THE ALLEGATIONS REGARDING THE LINKS BETWEEN THIS COMPANY OR ITS OWNERS, AND OPERATORS OF VESSELS INVOLVED IN IUU FISHING ACTIVITIES.'

The European Commission, 2010

### HAS IT GOT THE POWER?

Streetlights near the factory do not come on at night and there is a generator by the factory suggesting that the site currently lacks mains power.<sup>114</sup> The equipment that Biomega Nutrición shows on its website would need significantly more power than this to operate.

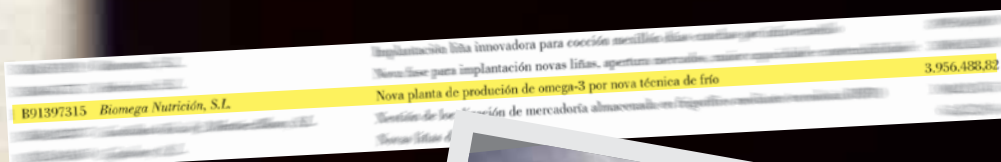
### WHAT'S THE CATCH?

At least three IUU vessels – the *Belma*, the *Antillas Reefer* and the *Ina Maka* (now *Sima Qian Baru 22*) – have been caught with what appear to be IUU cargoes of sharks onboard and are also linked to companies that share an address with Biomega Nutrición.<sup>111</sup> The livers of sharks are a common raw material for Omega-3 oil.<sup>112</sup>

€4m

### WHY SO ELUSIVE?

It seems virtually impossible to contact Biomega Nutrición: in June 2011 when Greenpeace investigators called the number on the firm's website – the same number used by many other Vidal family companies – they were told that somebody would call back. They never did.



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# WHAT NEXT?

Despite sustained pressure from the European Commission, member states of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and NGOs including Greenpeace, Spain has failed to bring illegal elements of the Vidal family and its corporate interests to account.

Not only is Spain's inaction on the Vidal family in breach of its national and EU legal obligations<sup>117</sup> and international commitments<sup>118</sup> but the government is still giving financial and administrative support in the form of licences and subsidies to the Vidal family's illegal, unreported and unregulated fishing operations.

Spain's inaction in relation to the Vidal case appears to be symptomatic of its unwillingness or inability to administer existing rules consistently and fairly. In 2007, the European Court of Auditors reported on problems of compliance and enforcement amongst member states and identified a great number of failings in relation to Spain. For instance, Spain appears to have under-declared its landings by around 40% in 2005 alone, it seems to have systematically failed to monitor quota take-up in the under 10 metre, small-scale sector, failed to cross-check sales notes of all frozen fish and fish products, failed to implement proper reporting and documentation systems whatever the product and appears to have employed far too few inspectors.<sup>119</sup>

The systems and policies Spain applies at home and argues for at EU level are too lax and biased towards vested fishing interests. Collusive, criminal and corruptive behaviour

thrives under these circumstances, at the expense of sustainability and rational fleet capacity management. The receipt of EU subsidies worth €2.4bn or 44% of the total in 2000-06<sup>120</sup> and 26% in the current 2007-13 funding period<sup>121</sup> has allowed Spain to build and prop up a destructive industrial-scale fishing fleet. By pumping money into companies and individuals with connections to IUU fishing operations Spain is turning a blind eye to illegal activities, which means that it is perpetuating illegal activities. Spain is not only nurturing a culture of maladministration and perversion of the CFP that is tarnishing the European industry as a whole, but also putting remaining fish stocks at severe risk of collapse.

Corrupted by these vested interests, the CFP has failed to achieve its core objective: sustainable fisheries in a healthy marine environment, supporting an economically viable industry and employment. A reformed European fishing policy must put a stop to the corruption of its aims in order to achieve the objective of sustainable fisheries. The question raised by this issue of the Inquirer for European politicians and policymakers is simple: **will you take a stand against the perversion of the CFP?**

IN LIGHT OF THE FINDINGS OF THIS ISSUE OF THE INQUIRER, GREENPEACE DEMANDS:

- The European Commission and European Court of Auditors must oversee a full public investigation into Vidal family network businesses.
- Spain must cease all payments and subsidies to Vidal-owned or linked businesses while the investigation is ongoing.
- A full EU audit of all subsidies allocated to the Spanish fishing industry during the 2000-2006 funding period, to establish if these allocations have met the conservation and management objectives of the CFP.
- The Spanish government must be penalised for any maladministrations and violations of the CFP, any funds allocated to illegal operators must be repaid.
- Misused funds should be re-invested to support sustainable fishing.
- The CFP must be reformed to prevent future abuse, loopholes and inadequate sanctions that:
  - permit organised criminals to plunder the sea for personal gain, and
  - allow member states to turn a blind eye.
- The new CFP must prioritise support to vessels and activities that contribute to sustainable fishing and good fishing practices in order to reduce overcapacity in the fleet and the decline of our fisheries.





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Greenpeace has been confronting piracy for years © Paul Hilton / Greenpeace