



Max Hardberger, a maritime “repo man,” center; his longtime fixer, Oge Cadet, in red; and a hired rower got a closer look at ships in Miragoâne, Haiti, by pretending to be potential buyers.

Maritime ‘Repo Men’: A Last Resort for Stolen or Seized Ships

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But sometimes, when the boat or ship is more valuable, firms like Mr. Hardberger’s Vessel Extractions in New Orleans are hired to find it. His company occasionally handles jobs involving megayachts, but more often the targets are small-to-medium cargo ships that carry goods between developing countries with poor or unstable governments.

To the local port authorities and law enforcement officials in foreign countries, Mr. Hardberger and his ilk are vigilantes who erode the rule of law in places that are struggling to establish it. “They deserve to be arrested,” Louhanty Brizard, 27, a Haitian Coast Guard officer, said about repo men during a sea patrol looking for stolen boats.

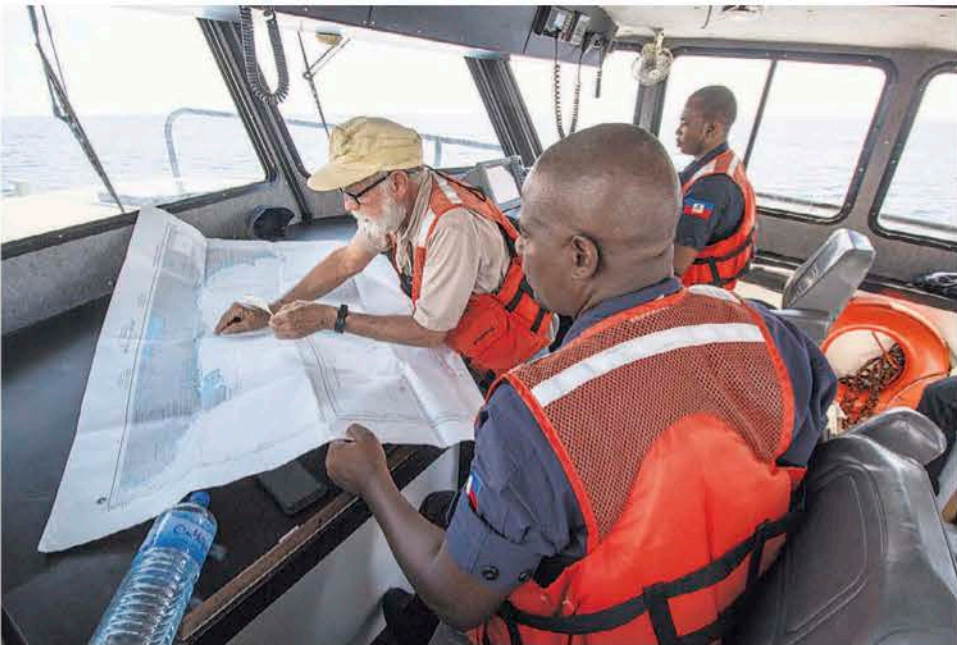
Charles N. Dragonette, who monitored maritime crime for the United States Office of Naval Intelligence until 2012, said that he believed that Mr. Hardberger follows whatever rules exist. But, he added, “I do worry about how these guys undercut local authorities, embarrassing them by stealing ships from under their noses, and worsening the overall corruption problem by paying bribes to local helpers to pull off these heists.”

Most recoveries of stolen boats and maritime repossessions are ho-hum affairs, typically involving paperwork and banks working with local law enforcement. But when negotiations fail, waterborne jailbreaks sometimes occur.

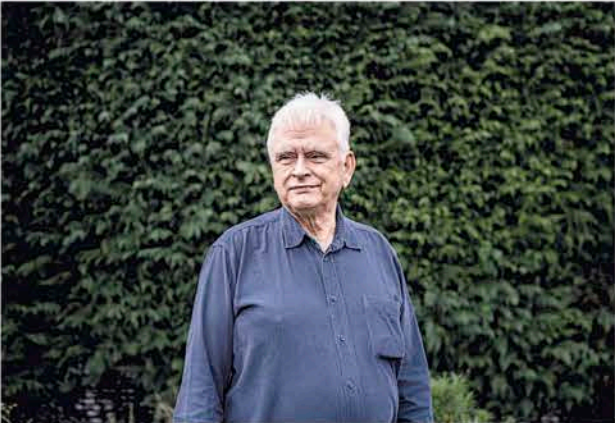
Charles Meacham, a maritime repo man based in Jacksonville, Fla., recounted how his teams spirited hundreds of boats out of a marina in Mexico in 2009 after they were stolen from Florida by a drug cartel, a move that won him a bounty on his head. Court papers describe a job that Mr. Hardberger handled in 2009, where he retrieved a freighter called the Virgin Express I from the Dominican Republic, boarding it by pretending to be a shipper, then sailing the ship to the Turks and Caicos Islands, where he handed it over to the mortgage holder.

Citing past assignments in Cuba, Egypt, Ghana, Honduras, Trinidad, Venezuela and elsewhere, Mr. Meacham and a half dozen others in the industry said that they each get on average one or two “extraction” requests per year. John Dalby, chief executive of Marine Risk Management, said his firm was currently working for a consortium of banks to repossess a fleet of more than a dozen freighters from nearly as many ports around the world. “They have to be taken all at once or else several will run,” he said.

A review of contracts and court records from some of these extraction jobs and interviews with repo men, insurance investigators and coast guard officers show that lawlessness offshore



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sometimes extends from corruption onshore. These documents and comments shed light on the array of ploys used to steal, seize, extort and recover ships. They also reveal how maritime repo men — and the scheming debtors, dodgy port mechanics, testy guards, disgruntled crews and dishonest port officials that they are hired to outwit — take advantage of the lack of policing and jurisdictional ambiguity of the open ocean.

The public perception of modern piracy usually involves Somalis in fast boats capturing tankers on the high seas. “More often overlooked but just as prevalent is white-collar piracy,” Admiral Parry said. Buccaneers in business suits hijack ships in port through opportunistic ruses rather than at sea with surprise shows of force.

Consumers are affected by the theft and corruption because it adds millions of dollars to transport costs and insurance rates, raising sticker prices more than 10 percent, maritime researchers say.

Most corrupt detentions in port consist of “squeeze and release” bilking schemes intended to get bribes, said

Douglas Lindsay, the lead partner with Maritime Resolve, a recovery firm based in England. “But squeeze long enough and you strangle,” Mr. Lindsay said. Shipping businesses can go bankrupt as cargo spoils, delivery deadlines pass and owed wages accumulate.

“The fact is that in some ports in the world possession isn’t, as the saying goes, nine-tenths of the law,” Mr. Dragonette added. “It is the law.”

Ship Raiders and Port Pirates

Port scams are as old as shipping itself and seasoned repo men can identify them by name. “Unexpected complications”: a shipyard makes repairs without permission, then sends the owner an astronomical bill, often for more than the value of the ship, hoping to force its forfeiture. “Barratry”: buying off crews, sometimes paying more than a year’s wages to leave a ship’s keys and walk away. “A docking play”: a shipowner defaults on his mortgage, but is in cahoots with a marina, which charges the reposessor hyperinflated docking fees. “I swam out to it one night and took the boat back,” said Steve Salem, a

Above, Mr. Hardberger inspected a map while on a patrol with the Haitian Coast Guard. Left, Douglas Lindsay, the lead partner with Maritime Resolve, a recovery firm based in England, said ships are often detained by port officials seeking a bribe.

repo man in Sarasota, Fla., recalling one such case in the Abacos, a chain of islands in the Bahamas, in 2012.

Mr. Lindsay described a “classic shakedown” case he handled in 2011 in Guinea in West Africa where a ship was being fraudulently detained with a \$50 million fine for less than \$10,000 in damage to a dock. “They fly you in, you find the right official, and negotiate him back to Planet Earth,” Mr. Lindsay said.

Stolen boats — about 5,000 were taken in the United States in 2014 — are often relocated to “unfriendly jurisdictions,” where local governments are sometimes less sympathetic to American owners and more susceptible to bribes, the repo men said.

Mr. Meacham, the Florida-based repo man, said he was once sent to Havana to retrieve a stolen American-owned megayacht being used by a hotel there. Chartering the vessel into international waters, he then told the Cuban captain: Come with us to the United States or take a lifeboat back to shore. The captain chose the former.

John Lightbown, the general manager of a Florida shipping company, said that in some places criminals can seize a \$2 million ship for \$2,000. “No evidence, no invoices, no affidavits, no appeals process,” said Mr. Lightbown, who has hired Mr. Hardberger several times. “They just need the filing fee that goes to a local justice of the peace and something extra under the table.”

To talk his way on board, Mr. Hardberger said, he has a collection of fake uniforms and official-sounding business cards; among them are “Port Inspec-

tor,” “Marine Surveyor” and “Internal Auditor.” He also carries a glass vial of magnetic powder to sprinkle on the hull to reveal lettering that has been welded off.

Mr. Dalby, from Marine Risk Management, said that rather than taking ships from unfriendly ports, he preferred surreptitiously placing GPS trackers on them while in transit, then calling in the police.

“Occasionally the legal system solves the problem,” added Mr. Hardberger, who canceled plans for an extraction job this month after a court in Haiti ordered the release of a freighter called the Amber Express, which had been improperly detained in the Port of St.-Marc, Haiti.

All of the repo men said they abide by certain self-imposed rules. No violence or weapons — better, they said, to hire street youths for lookouts, bar owners for diversions, and prostitutes to talk their way on board to spy. Officials from the Haitian Coast Guard, Interpol, and the bar association in California, where Mr. Hardberger is licensed, said they had no records of complaints, disciplinary actions or arrest warrants for him.

Asked whether he ever pays off public officials, Mr. Meacham replied in much the same way as his colleagues had. “Bribery is illegal,” he said. “Negotiating a fine is not.”

Toil and Trouble

Often, maritime law works in crooks favor, said Michael Bono, a lawyer and managing director of Vessel Extractions. Ship sales are more anonymous and final than sales of other types of property, he said. If someone buys a stolen painting at an auction, explained Edward Keane, a maritime lawyer in New York, the rightful owner can later make a claim and in many cases repossess it. But under international maritime law, he said, a vessel sold at a judicial auction has had its “face washed” or “bottom scrubbed” clean of liens and other previous debts, including mortgages.

About 50 miles west of Haiti’s capital, in Miragoâne, known as a pirate’s paradise, Mr. Hardberger explained that giving a stolen boat a fast makeover requires little more than “about \$300, four welders, and a fax machine.”

Joined by his longtime local fixer, Oge Cadet, Mr. Hardberger, 67, crossed the harbor in a row boat while they prospected a strip of beach where they hope to build a dock to chop up old ships for scrap. Mr. Cadet recounted an extraction job here in 2004. An American businessman had bribed local judicial officials to seize a 10-story-tall car carrier called the Maya Express and sell the ship to him in a rigged auction, according to court records.

To scare guards away, Mr. Hardberger paid a local witch doctor \$100 to publicly put a curse on the one place in town with cellphone reception. Though the glare from a blowtorch used by Mr. Hardberger’s team to cut through the ship’s anchor chains almost got them caught, they successfully sailed the ship to the Bahamas, where a judge upheld the repossession.

Referring to Haiti’s ports and legal system, Justice John Lyons of the Bahamas wrote that “cronyism and corruption are the order of the day.”