

March 20, 2015

Deler Saeed Majid
Co-Founder
Nokan Group
House No.48, Street 2
Salim Quarter: 111 Shaheed Aram
Sulaimanya
Kurdistan Region-Iraq

Re: Possible Facilitation of ISIS Oil Trade

Dear Mr. Majid:

I am writing on behalf of the Counter Extremism Project (“CEP”), a non-partisan, non-profit international policy organization formed in 2014 to confront the growing threat from extremist groups and extremist ideology. The purpose of this letter is to seek clarification about any possible facilitation by Nokan Group (“Nokan”) of illicit oil trade on behalf of the terrorist extremist group Islamic State in Iraq and al-Sham (“ISIS” a.k.a. “ISIL” a.k.a. “IS” a.k.a. “Islamic State”), via reported Nokan subsidiary Meer Soma Company Transportation (“Meer Soma”).

As you know, since 2014, ISIS has seized and controlled a number of oil and gas fields and associated infrastructure across locations in Syria and Iraq. ISIS is believed to control six of Syria’s 10 oil refineries and “seven oil producing assets in Iraq.” (*Al Jazeera*, “[Islamic State ‘seizes main Syria oil fields’](#),” 7/4/14; BBC, “[Islamic State: US releases oil refinery strike images](#),” 9/25/14; George Kirouktsoglou and Dr. Alec D. Coutroubis, “[ISIS Export Gateway to Global Crude Oil Markets](#),” February 2015) In order to generate cash revenues from its control of these resources, ISIS has established a thriving oil venture, smuggling out oil and gas via trucks, tankers, and existing pipelines. Indeed, “[a]nalysts believe oil represents the single biggest income stream for Isis with the bulk of [it] raised inside its area of control.” (*Financial Times*, “[Isis sells smuggled oil to Turkey and Iraqi Kurds, says US Treasury](#),” 10/23/14; Reuters, “[U.S. warns of sanctions on buyers of Islamic State oil](#),” 10/23/14) As former U.S. Treasury Undersecretary David Cohen has noted, “With the important exception of some state-sponsored terrorist organizations, ISIL is probably the best-funded terrorist organization we have confronted...earn[ing] approximately \$1 million a day from oil sales.” (U.S. Department of the Treasury, “[Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at the Carnegie Endowment for International Peace, ‘Attacking ISIL’s Financial Foundation’](#),” 10/23/14)

It is well-known that ISIS has committed innumerable atrocities against the Kurdish people, including civilians, women and children, as well as military personnel. ISIS has displaced countless Kurds and captured or killed thousands of Kurdish fighters and civilians, often in brutal fashion. (CNN, "[New ISIS video shows Kurdish Peshmerga soldiers in cages in Iraq](#)," 2/23/15)

In view of ISIS atrocities, it is confounding how any reputable business or entity, particularly one of Kurdish provenance, could knowingly engage in ISIS-related business activities. CEP is therefore alarmed by reports that some Kurdish entities are in fact facilitating ISIS-related oil trade. Specifically, certain Kurdish companies are reportedly contracted to transport refined fuel from the ISIS-controlled Baiji refinery, north of Tikrit, Iraq, for delivery throughout the Kurdish region by Sulaymaniyah province authorities in Iraqi Kurdistan, in the north-eastern region of Iraq. As recorded in several major media online publications, it appears that trucks owned and/or operated by Meer Soma, in particular, are being used to transport refined petroleum products from ISIS-controlled refineries to Kurdish entities in or near Kirkuk.¹

Meer Soma is reportedly a subsidiary of Nokan, apparently one of a number of Nokan-controlled companies reportedly headed by a "dummy director or operator assigned to them so that they can pretend the company belongs to these people rather than to Nokan." (*The Kurdistan Tribune*, "[Nokan Group and the PUK business empire](#)," 5/26/12) The Meer Soma website appears to have been deleted in 2014, as shown by archived website search services.²

Notwithstanding the patent iniquity of transacting with and assisting a brutal extremist group, all companies should carefully consider the potentially severe legal ramifications of any alleged ISIS-related business activities. As you are no doubt aware, ISIS is designated as a terrorist organization by state governments throughout the world, including the United Kingdom and the United Arab Emirates where Nokan appears to have business operations. (UK Home Office, "[Proscribed Terrorist Organisations](#)," 01/23/15; *Al-Arabiya*, "UAE blacklists 82 groups as 'terrorist'," 11/15/14) For instance, your company website states that Nokan has "international Branches in London and Dubai." (Nokan website, "[Welcome to Nokan Group](#)," accessed 03/05/15)

In the UAE, ISIS is banned under Federal Law No. 7. (*The National*, "[List of Groups Designated Terrorist Organisations by the UAE](#)," 11/16/14) That law imposes severe penalties for "those found guilty of terror-related crimes..." and "also includes terror financing..." The law also "la[ys] out tough sanctions for anyone backing such groups." (AFP, "[UAE toughens anti-terror laws](#)," in *Al-Arabiya*, 8/21/14)

Similarly, the UK's Terrorism Prevention and Investigation Measures Act 2011 criminalizes "[i]nvolvement in terrorism-related activity" including both "conduct which facilitates the commission, preparation or instigation of such acts [of terrorism]" and "conduct which gives support or assistance to individuals who are known or believed by the individual concerned to be involved in conduct falling within paragraphs (a) to (c) [i.e. "Involvement in terrorism-related activity]." (UK Government, "[Terrorism Prevention and Investigation Measures Act 2011 \(Chapter 23, Section 4:1\(a-d\)\)](#)," 12/14/11) ISIS is of course designated a Proscribed Terrorist Organization by the UK. (UK Home

¹ See Appendix, Figure 1.

² See Appendix, Figure 2.

Office, “[Proscribed Terrorist Organisations](#),” 01/23/15) If reports of Meer Soma involvement in ISIS-related oil trade, and Meer Soma’s status as a Nokan subsidiary are accurate, then Nokan could appear to be subject to UK and UAE sanctions related to bans on providing “support or assistance” to ISIS.

Furthermore, the United Nations Security Council specifically prohibits the sale or purchase of oil products from ISIS, or the provision of services that facilitate its oil trading operations. UNSC Resolution 2199 (2015), adopted on February 12, “[c]ondemns any engagement in direct or indirect trade, in particular of oil and oil products, and modular refineries and related material, with ISIL...and reiterates that such engagement would constitute support for such individuals, groups, undertakings and entities and may lead to further listings by the Committee...” Resolution 2199 further reiterates a requirement in UNSCR 2161 (2014), to “freeze without delay funds, other financial assets and economic resources of ISIL... including oil, oil products, modular refineries and related material and other natural resources owned or controlled by them, or persons acting on their behalf or at their direction, as well as any funds or negotiable benefit arising from such economic resources...” (UN Security Council, “[S/RES/2199 \(2015\)](#),” 2/12/15; “[S/RES/2161 \(2014\)](#),” 6/17/14)

The U.S. Department of the Treasury has also recently moved to explicitly target individuals and entities who facilitate ISIS’s oil trade. For example, in October 2014, then Undersecretary for Terrorism and Financial Intelligence David Cohen spoke of the U.S.’s determination to disrupt oil transactions benefitting ISIS, declaring that, “we will target for financial sanctions anyone who trades in ISIL’s stolen oil.” Undersecretary Cohen also warned that:

“The middlemen, traders, refiners, transport companies, and anyone else that handles ISIL’s oil should know that we are hard at work identifying them, and that we have tools at hand to stop them. We not only can cut them off from the U.S. financial system and freeze their assets, but we can also make it very difficult for them to find a bank anywhere that will touch their money or process their transactions.”

(Undersecretary David S. Cohen, “[Remarks of Under Secretary for Terrorism and Financial Intelligence David S. Cohen at The Carnegie Endowment For International Peace, “Attacking ISIL’s Financial Foundation”](#),” 10/23/14) In consultation with the U.S. Treasury, the U.S. President is authorized to impose sanctions on persons who “assist in, sponsor, or provide financial, material, or technological support for, or financial or other services to or in support of, such acts of terrorism...” (U.S. Dept. of the Treasury Office of Foreign Assets Control, “[Executive Order 13224: Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism](#),” 2/26/15)

President Obama has called for a wide coalition of stakeholders to contribute to the global battle against extremism. In a recent op-ed published in the *Los Angeles Times* the President declared, “We must stand united internationally and here at home...” Recognizing that “military force alone cannot solve this problem...” the President added “[w]e also have to confront the violent extremists – the propagandists, recruiters *and enablers* – who may not directly engage in terrorist acts themselves...” (*LA Times*, “[President Obama: Our fight against violent extremism](#),” 02/18/15 – emphasis added)

CEP wholly endorses the President's view. Propagandists, recruiters and enablers such as businesses and traders transacting in ISIS-related commercial activities are contributing to the growth of extremist networks worldwide.

All reputable businesses, entities and individuals must therefore refuse to knowingly associate with extremists. In view of the foregoing, please describe the nature of Nokan's relationship to Meer Soma (or any successor or affiliated entity). Please also clarify the precise nature of Nokan entities, subsidiaries and affiliates, including but not limited to Meer Soma (or any successor entity), in oil, gas, and associated transportation and/or logistics business activities in Iraq. Please also clarify the nature of any such business activities as they may pertain to ISIS, its affiliates and/or its representatives. Furthermore, please clarify the extent of any possible involvement of Nokan entities, subsidiaries and affiliated companies, with oil and gas infrastructure sites reportedly controlled by ISIS including the Baiji oil refinery.

Please let us hear from you by March 27, 2015. Thank you for your immediate attention to this matter. We look forward to your response.

Very truly yours,



Ambassador Mark D. Wallace

Cc: The Honorable Bob Corker
Chairman, United States Senate Committee on Foreign Relations

The Honorable Bob Menendez
Ranking Member, United States Senate Committee on Foreign Relations

The Honorable Ed Royce
Chairman, United States House Committee on Foreign Affairs

The Honorable Eliot Engel
Ranking Member, United States House Committee on Foreign Affairs

The Honorable Jeb Hensarling
Chairman, United States House Committee on Financial Services

The Honorable Maxine Waters
Ranking Member, United States House Committee on Financial Services

The Honorable Ted Poe

Chairman, United States House Subcommittee on Terrorism, Nonproliferation, and Trade

The Honorable William Keating

Ranking Member, United States House Subcommittee on Terrorism, Nonproliferation,
and Trade

John E. Smith

Acting Director, Office of Foreign Assets Control, U.S. Department of the Treasury

APPENDIX

Fig. 1

Photograph of Meer Soma truck purportedly transporting refined oil on behalf of ISIS to Kurdish businessmen, in Kirkuk, Iraq, on July 12, 2014

(Image published at:

<http://www.vox.com/2014/8/11/5988377/kurdistan-oil>,

http://www.huffingtonpost.co.uk/2014/11/01/islamic-state-oil_n_6086794.html, and

<http://rudaw.net/english/middleeast/iraq/190820142>)



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3) Oil is also a major factor in the simmering debate over who controls Kirkuk



Oil tankers transport petrol sold by IS (Islamic State) to Kurdish business men on July 12, 2014, in Iraq's disputed northern city of Kirkuk. (MARWAN IBRAHIM/AFP/Getty Images)

Enlarged Detail of Meer Soma truck insignia from previous photograph



Figure 2

Screenshot of Meer Soma Transportation Company website on January 9, 2014, prior to deletion

