



BUREAU OF MARITIME AFFAIRS
OFFICE OF DEPUTY COMMISSIONER
FOR FINANCIAL AFFAIRS / MARITIME COMPTROLLER

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September 12, 2001

File in LISCR file.
(Signature)

Hon. Benoni W. Urey
Commissioner
Bureau of Maritime Affairs
Monrovia, Liberia

Dear Commissioner Urey:

One of the principal reasons for which the GOL opted to terminate the management of its corporate and maritime programs with the former Agent, the International Registries, Inc., was due to the lack of full accountability and the total involvement of the GOL in the operation, the result of which was some bitter prescription to the GOL and its program, which we continue to swallow.

Today, I write to acquaint you and make reference to Section II 2.2 (a) in part, which states that "all taxes collected by the Agent, be promptly deposited into a Special Account to be jointly established and maintained by the Agent and the Deputy Commissioner for Financial Affairs".

However, prior to joining the Bureau's operation in Vienna, Virginia, the Managing Agent, LISCR, LLC, had opened various operating bank accounts in the name of LISCR, LLC, for GOL, representing IJSCR, LLC Tonnage Taxes, A/C # 5162035209; LISCR, LLC New York Maritime A/C # 5162058071; LISCR, LLC MIIPs A/C # 5162058152; LISCR, LLC DCO A/C # 5162058160; LISCR, LLC Payroll A/C # 5162066384; LISCR, LLC Maritime Special Account # 5162066414; LISCR, LLC Corporate A/C # 5162069367; LISCR LLC Corporate & Tonnage Lockbox A/C # 5162060955 among many others directed to the program at the BB&T Bank in Washington, D.C.

Upon assuming responsibility we fought forever to ensure that new accounts be opened in the name of the GOL, since in fact there were taxes and related fees belonging to the GOL, and as such must bare GOL titles.

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On many occasions, I was made to believe that I was the GOL signatory to all the accounts. However, to my utter surprise, the LISCR management only used my signature for internal transfer control purposes, while supplying the signatures of Mr. Yoram Cohen, CEO, and Mr. John LeBarton, Executive VP-Finance, for all GOL accounts at the Bank. Due to your persistent intervention, the LISCR management belatedly agreed to open new accounts in behalf of GOL to hopefully replace the old accounts. It is extremely essential that all those initial accounts are closed and that the new accounts are reflected on the invoices for 2002.

What is most intriguing and disturbing is the fact that these new GOL accounts which have the signatures of John LeBarton, CFO, and mine are not the original sources for revenue receipts. The money that comes from the tonnage program goes into the original LISCR, LLC Operating Account # 5162035209 for first half payment, and the LISCR, LLC Maritime Special Account # 5162066414 in New York for 2nd half payment. These accounts were opened and are maintained exclusively by Mr. Yoram Cohen and Mr. John LeBarton. It is from these two original accounts that GOL revenue is distributed to the new GOL accounts. And as such, our office does not have the authority to determine what comes in exactly for Government.

A Case in point:

As the threat of sanction was heaping and discussions were being held sometime last year, Mr. Yoram Cohen approached me about the possibility of opening an account in Europe to guard against any speculation of a negative sanction application. At the time I was informed that you would be a signatory to the account upon a pending European visit. This was the last I was told about the new account. He said at the time that both you and Counselor James Pierre had given him the approval for the undertaking.

Our review of fiscal operational disbursement vouchers during the 2000 Audit revealed that on July 21, 2000, the amount of \$2,435,000.00 was transferred from the Tonnage Tax Account # 5162035209, which was LISCR's GOL Tonnage Tax Operations Account, to Account Number 206-212-050-602 LISCR, LLC Operating Account at the UBS AG Bank in Switzerland. Because our office is not a signatory to that old account, LISCR did not need our blessings or input to effect the transfer. There have been other significant transfers to the account per our record. The account is still active today with Mr. Yoram Cohen and John LeBarton as the only signatories.

In addition to the Switzerland account, LISCR has other active accounts which we are not parties to representing 5162058071 for Tonnage Taxes, 5162058160 for DCO, 5162058152 for MIIPs, and 5162066414 for the Maritime Special Account in New York. These are but the few accounts that serve as original revenue receipts for the program, and with our exclusion.

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The bottom line to all of this is that we are not involved directly at the bank regarding the various accounts, where major financial transactions take place: LISCR, LLC GOL Tax Account Number 5162058071, LISCR, LLC DCO Operating Account Number 5162058160, LISCR, LLC MIPPs Account Number 5162058152, LISCR, LLC GOL Tax Account Number 5162035209, and the LISCR, LLC Maritime Special Account Number 5162066414. Until we can ensure direct involvement in these accounts, we cannot boast of any significant achievement.

Please see below a few transfers effected from the Maritime Special Account # 5162066414 in New York to other LISCR Accounts without our participation:

<u>Date</u>	<u>From A/C #</u> <u>5162066414</u>	<u>To A/C #</u> <u>5162058152</u>	<u>To A/C #</u> <u>5162035209</u>	<u>To A/C #</u> <u>5162060955</u>
11-02-00	\$100,000.00	-	-	\$100,000.00
12-21-00	300,000.00	-	\$300,000.00	-
12-14-00	607,564.00	607,564.00	-	-
01-05-01	400,000.00	400,000.00	-	-
01-17-01	400,000.00	-	400,000.00	-
02-02-01	100,000.00	100,000.00	-	-
02-13-01	600,000.00	-	600,000.00	-
02-13-01	500,000.00	500,000.00	-	-

By the same token, the initial lockbox account representing corporate & tonnage, including all corporate accounts are off limits to our office. We are only aware of what is reported for transfer to GOL accounts and for the corporate program.

In our drive to ensure control and our total involvement in the disbursement of GOL funds as well as expenditures in the DCO budget, we asked the BB&T Bank to provide us new signature cards for the submission of two additional names as alternatives for our transactions to all the new accounts, as was agreed to by John LeBarton and myself, and sanctioned by the Arthur Andersen Auditing Firm during the 2000 audit, with the exclusion of the CEO of LISCR and the Commissioner of BMA. I requested and received confirmation from Mr. John LeBarton, the name of the individual to represent LISCR on GOL accounts at the Bank, based on the earlier decision by Mr. Cohen not to be involved in financial matters.

But to the contrary, I have been informed by Mr. John LeBarton that Mr. Yoram Cohen has instructed him not to sign the new cards, and that he was overriding Mr. LeBarton's earlier decision. Apparently, Mr. Cohen must have other motives and some special connection at the BB&T Bank, because this is the same bank that Mr. Cohen made me to believe that I was a signatory to all the GOL Accounts, when in reality I was not. This is the same bank that Mr. Cohen misleadingly added my name to a few accounts and disgracefully deleted my signature on his instruction without informing me.

Mr. Commissioner, what we are advocating here must be of paramount concern for the Government of Liberia's program. Accordingly, we are beginning to seize on the opportunity to correct the ills of our past so as not to repeat the errors and ills that were applied against the nation by our former Agent, IRI, Inc., and those associated with the program during those many years of operation. I am not convinced that the transfer instructions I sign to the bank have any bearing at all, but are rather used for in-house and to make me feel that I am involved.

There is an ardent need to begin to implement the cardinal provisions of the GOL/LISCR Agreement because as we see it, when these necessary steps are not taken, the distant future will become history for us all regarding the implementation process. The lack of adherence of some provisions of the GOL/LISCR Agreement must be documented at all times for correction in the future. The fact that we cite breaches in the GOL/LISCR Agreement only increases our propensity for discoveries and not confrontation as is being promoted by many in the inner circle.

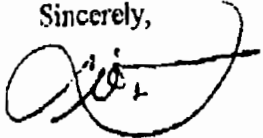
It is most disheartening, frustrating and down right wrong when our efforts to maximize GOL revenue base are being undermined, railroaded and high-jacked by criminally minded, selfish and greedy individuals who serve as de facto advisors to the Bureau in Monrovia and Vienna, and by the same thinking are being paid very handsomely by LISCR to promote LISCR's interests, term our action as being confrontational. What is most disgusting is the fact that some of these individuals who were in the positions to correct the ills, emanating from the previous Maritime Agreement of yester years did not have the guts and willpower to do an inch of what you have accomplished, but prefer to ill advise you selfishly, for their own benefits.

And finally, it really does not serve us well, when the cardinal reasons for which we were asked to take on these responsibilities are being circumvented.

Meanwhile as we approach the end of the second year of operation by LISCR, LLC of the program, it will be definitely helpful if a review of the Contract Agreement is conducted for compliance purposes.

Kind regards.

Sincerely,



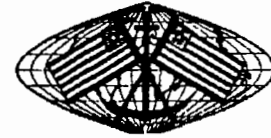
Louis B. Roberts
Deputy Commissioner/Maritime Comptroller

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REPUBLIC OF LIBERIA
BUREAU OF MARITIME AFFAIRS

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1000 MONROVIA 10, LIBERIA



Tubman Boulevard, Sinkor
(Adjacent J.F.K. Medical Center)

Office of the Commissioner

BMC/COM/L-0108/'01

September 18, 2001

Mr. Yoram Cohen
Chief Executive Officer
LISCR
Vienna, Virginia

Dear Yoram:

I have been informed by Mr. Louis Roberts, Deputy Commissioner of Maritime for Financial Affairs, that on July 21, 2000, the amount of \$2,435,000.00 was transferred from a Tonnage Tax Account Number 5162035209 to a LISCR Operating Account Number 206-212-050-60Z at the UBS AG Bank in Switzerland. This transaction, I am told, was due in part to guard against negative sanctions discussions during the course of last year, and that I would serve as a signatory to the account for the GOL.

Mr. Roberts has also written to inform me that he does not have any access and is not a signatory to the following supposedly GOL/LISCR original Accounts: LISCR, LLC Maritime NY Account Number 5162058071, LISCR, LLC DCO Operating Account Number 5162058160, LISCR, LLC MIIPs Account Number 516208152, LISCR LLC Maritime Special Account Number 5162066414 and the Lockbox Account Number 5162060955, all being original bank accounts for the program. It is his understanding that the LISCR, LLC New York Maritime Account Number 5162058071 is the original account for the first half payment of tonnage taxes, while the LISCR, LLC Maritime Special Account Number 5162066414 is the second half tonnage tax account. It is from these two critical original accounts, which he has no access to, that funds are being distributed to the various GOL accounts.

Because the above accounts are associated with the GOL taxes and fees, it is imperative that the Deputy Commissioner for Financial Affairs is a signatory to the accounts, and has full access, per the GOL/LISCR Agreement.

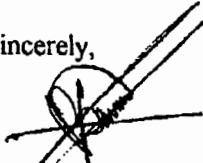
Accordingly, most transactions on those accounts are being conducted without reference to the Deputy Commissioner for Financial Affairs' office, including some telephone transfers, inter-company transfers and branch wire transfers. I would appreciate were you to address the issues raised in the spirit of true transparency and full accountability to the GOL. I understand that some of these accounts were opened during the transitional period of operation, however, I find it difficult not to have regularized these accounts between GOL and LISCR, LLC, after almost 21 months of operation.

Meanwhile, I am directing that you ensure that the Deputy Commissioner for Financial Affairs has full access to those accounts including signature cards and online banking facilities.

I am also instructing that Mr. John LeBarton works along with Mr. Roberts to produce, for my immediate review, full accounting of all transactions, including wire transfers, branch wire transfers, and telephone transfers without his involvement, on the accounts mentioned above. And to ensure that these transactions were fully accounted for during the 2000 Audit.

I would appreciate your fullest cooperation in these premises.

Sincerely,

A handwritten signature in black ink, appearing to read "Benoni W. Urey", written over a set of horizontal lines from a document.

Benoni W. Urey
COMMISSIONER

cc: Louis B. Roberts
Deputy Commissioner for
Financial Affairs - Vienna