



Insured Aircraft Title Service, Inc.



P.O. Box 19527 • Oklahoma City, Oklahoma 73144 • (405) 681-6663
(800) 654-4882

FAX #405-681-9299

STATEMENT OF INSURED AIRCRAFT TITLE SERVICE, INC TO U.S. SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Many citizens, including lawyers and judges whom IATS counsel has encountered, are not aware that the Aircraft Registry of the Federal Aviation Administration in Oklahoma City, Oklahoma, is the central repository for documents affecting title to aircraft owned by citizens of the United States, unlike the 50 State Departments of Motor Vehicles for automobile and boat titles.

As a result, there are approximately 18 title companies and 3 major law firms which assist owners, lenders and encumbrancers in filing instruments at the Registry as a service to such entities. IATS is such a title company and has been in business since 1963.

In addition to filing bills of sale, security agreements and related documents (e.g. Registration Statements) for a fee (thereby obviating a physical presence of such entities at the Registry) IATS acts as an escrowee for money and documents to consummate an Aircraft Purchase and Sale Agreement or Security Agreement to likewise obviate the presence of parties at a "closing". As a result, it is rare that any party is present in Oklahoma City, at a "closing", unlike a real estate "closing" at a local abstract company with which one might be familiar. The purchase price is wired to the bank account of the escrow by the buyer and the bills of sale, security agreements and related documents are

delivered by couriers to IATS in Oklahoma City by sellers, lenders or encumbrancers for filing at the Registry, for which the escrow (e.g. IATS) charges a fee. Most communications between the parties and escrowee are by phone, fax or email.

As a result of its longstanding service, efficiency and integrity, IATS is also used in transactions which may not involve citizens of the United States or one not requiring the Aircraft Registry (or any just involving the International Registry pursuant to the Capetown Treaty).

To specifically address the assistance to the subcommittee requested by its staff:

1. IATS acted as escrowee for the purchase of the Gulfstream N1UB by Ebony Shine International. The purchase price was wired to the account of IATS. Upon receipt of the purchase price and the bill of sale, and pursuant to the instructions of the buyer and seller, IATS sent the bill of sale to the buyer and the money to the seller. The IATS fee was \$41,637.21USD.
2. IATS (as is true also of the FAA Registry) does not look beyond the face of the documents or instruments submitted for transfer or registration, taking same at face value (e.g. knowing the identity of the signatory or endorser) and has nothing in the escrow file which would bear upon the ownership (beneficial or otherwise) of the buyer or its relationship with Teodoro Obiang other than his exchanging documents in a representative capacity.

3. IATS routinely determines that the money wired to its escrow account is related to the buyer and the aircraft that is the subject matter of an Aircraft Purchase Agreement or Security Agreement. Its duties as a fiduciary are prescribed by the Aircraft Purchase Agreement or Escrow Agreement. IATS has no understanding as to the depositors' source of funds, unless advised by the depositee bank as a result of the bank's determination.

4. IATS is not a financial institution and has no company policy or protocol requiring a background check on persons or entities placing documents or money in escrow. To its knowledge, IATS has no legal obligation to do so. Whether or not such buyers are PEPs, IATS is unaware. No bank advised IATS of any irregularity, and the banks credited the IATS bank account with the wire deposits.

Dated this 26th day of January, 2010

JOSEPH I. LIEBERMAN, CONNECTICUT, CHAIRMAN

CAROL LEVIN, MICHIGAN
DANIEL K. AKAKA, HAWAII
THOMAS R. CARPER, DELAWARE
MARY L. PRYOR, ARKANSAS
MARY L. LANDRIEU, LOUISIANA
CLAYB M. CASSELL, MISSOURI
JON TESTER, MONTANA
ROLAND V. BURRIS, ILLINOIS
MICHAEL B. BENNETT, COLORADO

SUSAN M. COLLINS, MAINE
TOM COCHRAN, OKLAHOMA
JOHN MCCAIN, ARIZONA
GEORGE V. VONNOVICH, OHIO
JOHN ENSIGN, NEVADA
LINDSEY GRAHAM, SOUTH CAROLINA
ROBERT F. BENNETT, UTAH

United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
WASHINGTON, DC 20510-6250

MICHAEL J. ALEXANDER, STAFF DIRECTOR
BRANDON L. MILBRIN, MINORITY STAFF DIRECTOR AND CHIEF COUNSEL

January 21, 2010

VIA U.S. MAIL & EMAIL (jrob91950@aol.com)

Mr. Kirk Woford
President
Insured Aircraft Title Service, Inc. (IATS)
4848 S.W. 36th Street
Oklahoma City, OK 73179

Dear Mr. Woford:

On February 4, 2010, the U.S. Senate Permanent Subcommittee on Investigations will hold a hearing on how senior foreign political officials, their relatives, and close associates – referred to in international agreements as Politically Exposed Persons or PEPs – have used the services of U.S. professionals and U.S. financial institutions to bring millions of dollars in funds suspected of being the proceeds of foreign corruption into the United States, and what should be done about it. The hearing will be held at 9:30 a.m. in Room 342 of the Dirksen Senate Office Building in Washington, D.C.

The Subcommittee requests that Insured Aircraft Title Service, Inc. (IATS) provide a representative to testify at the hearing and asks that you provide the representative's name and job title by January 29, 2010. To assist the Subcommittee's understanding of the issues, please have your representative prepared to address and answer questions about the following matters at the hearing:

- 1) Please describe the services provided by IATS with respect to the 2006 purchase of a \$38.5 million Gulfstream jet by Ebony Shine International, and the total amount of compensation IATS received for those services.
- 2) What was IATS' understanding regarding who was the beneficial owner of Ebony Shine International? What was IATS' understanding of the relationship between Ebony Shine International and Teodoro Obiang, son of the President of Equatorial Guinea?
- 3) IATS was chosen to handle the transaction after another escrow company, McAfee & Taft, declined to complete the sale of the aircraft without information on the source of the funds for the \$38.5 million payment. What actions did IATS undertake to identify and verify the source of funds for the purchase?
- 4) Please describe your understanding of your legal and ethical obligations as an escrow agent regarding the receipt of funds from or the facilitation of business transactions involving a PEP suspected of foreign corruption.

Please submit a written statement addressing the above matters. This statement will be included in its entirety in the printed hearing record. Subcommittee rules require that the written statement be received by 9:30 a.m. on February 2, 2010. Please deliver the written statement to the Subcommittee's Chief Clerk, Mary Robertson, through electronic mail at Mary_Robertson@hsgac.senate.gov. In addition, you should be prepared to provide an oral statement of up to five minutes in length, to be followed by questions from Subcommittee Members.

Thank you for your assistance in this matter. If you or your staff have any questions or would like additional information, please contact Laura Stuber (Senator Levin) at (202) 224-9505 or Justin Rood (Senator Coburn) at (202) 224-3721.

Sincerely,



Tom Coburn, MD
Ranking Minority Member
Permanent Subcommittee on Investigations



Carl Levin
Chairman
Permanent Subcommittee on Investigations

via: William Robinson, Esq.
General Counsel
Insured Aircraft Title Service, Inc.
1141 N. Robinson
Oklahoma City, OK 73103
jrob91950@aol.com