

Introduction to FraudNet

What is FraudNet?

- Global network of lawyers formed in 2004
- Representing victims of fraud, corruption and commercial crime
- Identify and recover money, assets and proceeds of crime on behalf of victims
- Created at the initiative of the International Chamber of Commerce

International Chamber of Commerce

- “The world business organization”
- Headquartered in Paris
- Offices in more than 70 countries
- Commercial Crime Secretariat in London

The Identified Need:

- Fraud and corruption are pervasive, complicated and invariably cross national boundaries
- Makes redress and recovery harder
- Money moves faster than victims can without sophisticated assistance
- Victims do not know what to do, or who they can turn to for help
- Law enforcement has scarce resources
- Law enforcement's focus is apprehension of fraudsters, putting them out of business and imposing criminal sanctions
- FraudNet's focus is asset identification/recovery for victims

The Response:

- Create an international network of lawyers that specializes in fraud and grand corruption cases, and focuses on asset identification and recovery

The Result:

- A 24/7 international rapid deployment force for transnational asset recovery

Who is FraudNet?

- 63 members from 56 countries
- All leading practitioners in fraud recovery and asset tracing
- All immersed in fraud and recovery jurisprudence and legislation

FraudNet's Reach

Europe

Austria	Ireland	Poland
Belgium	Isle of Man	Russia
Cyprus	Italy	Scotland
Denmark	Jersey	Serbia
Finland	Liechtenstein	Spain
France	Monaco	Sweden
Germany	Netherlands	Switzerland
Greece	Norway	Ukraine
Guernsey	Panama	United Kingdom

FraudNet's Reach

The Middle East, Asia and Africa

Australia

Nigeria

Hong Kong

Pakistan

India

Philippines

Israel

Singapore

Mauritius

South Africa

New Zealand

Thailand

United Arab Emirates

FraudNet's Reach

Western Hemisphere

Antigua

Argentina

Bahamas

Bermuda

Brazil

British Virgin Islands

Canada

Cayman Islands

Chile

Costa Rica

Guatemala

Mexico

Uruguay

USA

FraudNet Membership Criteria

- Strict criteria set by members
- Administered by Standards & Procedures Committee
- Only experts with a clear track record and significant experience invited to join
- Exceptional service and unparalleled responsiveness
- Highest ethical standards

FraudNet Track Record

- FraudNet members have been retained around the world in fraud and corruption cases
- Recoveries for victims in the billions of dollars

Representative Cases for Governments and Related Agencies

❖ Government of Antigua & Barbuda (“GOAB”)

- Represented the GOAB in case stemming from a fraudulent involving the renegotiation of a debt incurred by GOAB following the construction of a desalination plant in the 1980s.
- The fraud charges involved the former GOAB Prime Minister Lester Bird, who is alleged to have arranged a foreign national to renegotiate the GOAB’s debt. The fraud cost taxpayers over \$25 million in overpayments.



❖ Republic of Trinidad & Tobago (“RTT”)

- Represented the RTT in a case stemming from the execution and attempted cover-up of a bid-rigging scheme spanning over a decade and involving the construction of the Piarco Int’l Airport in the RTT.
- A civil action was pursued in Florida to enforce judgments in excess of \$6 million that it obtained against four defendants as a result of a U.S. criminal case. RTT was also able to invalidate a \$50 million airport maintenance contract previously awarded as a result of the fraud. Former PM Basdeo Panday was also indicted in the RTT on allegations of receiving bribes in connection with the project.





❖ **Haiti**

- In 2009, the Swiss Federal Office of Justice ordered the return of \$6 million of assets to Haiti which were allegedly stolen by former President Jean-Claude Duvalier. The Federal Office of Justice made the ruling after it determined that Duvalier failed to prove that the funds were legitimately acquired.

❖ **Nigeria**

- Represented Nigerian government in connection with the return of over a billion dollars in misappropriated funds by Sani Abacha's regime. In 1999, Nigeria initiated worldwide mutual assistance and criminal proceedings to recover assets held in numerous jurisdictions, including Switzerland, Luxembourg, Liechtenstein, UK and Jersey.

❖ **Brazil**

- Maluf Case - represented the São Paulo municipal government and the Brazilian national government in launching a claim in Jersey to recover hundreds of millions allegedly taken as kickbacks by the former mayor of Sao Paulo, Mr. Paulo Maluf.
- Dos Santos Neto Case – represented the Brazilian government in case involving the embezzlement of \$100 million by a Brazilian judge supervising the construction of a Labor Court in Sao Paulo.



❖ **Kenyan Anti-Corruption Commission**

- Represented the Kenyan government in the extradition of Samuel Gichuru, former head of the Kenyan Power & Light Co., who is alleged to have defrauded the company and diverted millions of proceeds from the company.

❖ **Republic of Tunisia**

- Represented the government of Tunisia in worldwide recovery proceedings against former President Zine El Abidine Ben Ali and his accomplices who are suspected of embezzling more than \$5 billion over a 25 year period.

❖ **Arab Republic of Egypt**

- Represented Egyptian government in connection with former government of Hosni Mubarak.



❖ **U.S. Securities & Exchange Commission**

- Selected by the SEC to serve as a receiver and in other instances retained directly by a court appointed SEC Receiver to assist with numerous matters involving securities fraud and ponzi schemes. Proceedings involved asset identification and recovery of fraud proceeds in Greece, Panama, Isle of Man, Switzerland, Germany, Bahamas, Luxembourg, and the United Kingdom among others.

❖ **Isle of Man Financial Supervision Commission**

- Represented the Commission in the winding up of 7 companies which were alleged to be used in the process and layering of substantial funds accumulated directly from a dishonest scheme designed to defraud Komerčni Banka AS.

❖ **UK Revenue and Customs Prosecution Office**

- Retained at the request of the Revenue and Prosecution Office to enforce a confiscation order pursuant to the Criminal Justice Act 1988. The proceedings involved asset identification and recovery in France, Switzerland, Spain, Gibraltar, Guernsey, and the UK.

❖ **Scottish Ministers**

- Represent the Scottish government in recovering property obtained through unlawful conduct under the Proceeds of Crime Act 2002.

The FraudNet Approach

- The Team Approach
 - Legal Counsel
 - Investigators
 - Forensic Professionals
 - State Enforcement Authorities

The FraudNet Approach

- Stealth with Speed
 - Moving diligently
 - Gags & Seals
 - Investigative Orders

The FraudNet Approach

- Strategy
 - Managing multi-jurisdictional cases and legal terms
 - Determining where to initiate legal proceedings to maximize results
 - Providing accountability

The FraudNet Approach

- Specialized Tools
 - 28 USC 1782
 - Other Disclosure Orders
 - Anton Piller/Banker's Trust Orders
 - Experience working with domestic/international law enforcement agencies
 - Insolvency regimes
 - Attachments, Seizures and Injunctions

FraudNet's Value

- 24/7 responsiveness
- Local point-of-contact service for victims
- The resource of a global network of experienced partners to investigate and take action against fraudsters in foreign jurisdictions
- Increased odds of recovery
- In appropriate cases, access to financial assistance in effecting recovery

Partnering with the ICC

- FraudNet's capabilities complement and enhance the ICC's efforts
- Enhanced value delivered to the victims of the illegal acts
- Avoids need to develop separate expertise and deploy limited resources
- Willingness to devote resources to develop effective protocols to ensure coordination / cooperation / consistency
- Avoids piecemeal, ad hoc and ineffective initiatives by third parties
- Maximizes the likelihood of recovery for victims
- Ability to assist in enforcing confiscation orders for the Court

Thank You