

Recognizing fraud's increasing sophistication, speed and global dimensions, in 2004 the International Chamber of Commerce (ICC), the world business organization headquartered in Paris with offices in 70 countries, founded the FraudNet network under the auspices of its London-based Commercial Crimes Services. FraudNet is a 24/7 international rapid deployment force that helps victims recover their stolen assets with the same cyber-powered speed, stealth, reach and proficiency as the most sophisticated global fraud network.

Sophisticated financial frauds are increasingly being perpetrated on unsuspecting victims across national boundaries. With seamless global transfers of funds, fraudsters can instantaneously steal, hide and transfer liquid assets inside financial institutions across the globe. They can plunder, then launder and distribute their illegal proceeds in multiple offshore locations, including secrecy havens.

Often, by the time the unwitting victim suspects a fraud has taken place, the trail has gone cold and the fraudsters have disappeared. Clearly, isolated victims are no match for teams of well-funded, professional criminals aided and abetted by cyber stealth and bank secrecy laws. And, fraudsters absolutely count on these factors to evade justice.

But now there's an equally astute, organized and determined anti-fraud team working solely for victims. FraudNet is a 24/7 international rapid deployment force that pries open the vault of bank secrecy and helps victims locate and recover their stolen assets with the same cyber-powered speed, stealth, reach and proficiency as the most sophisticated global fraud network.

Fraudsters meet their match in FraudNet's experienced team of civil asset recovery lawyers, investigators and forensic accountants, who creatively wield their own sophisticated legal and investigative tools to trace and seize stolen assets wherever located.

Organized and operating under the auspices of the International Chamber of Commerce (ICC), FraudNet members have already recovered hundreds of millions of dollars on behalf of individuals, corporations and national governments victimized by fraud and grand corruption schemes. Since its inception in 2004, FraudNet has worked for the governments of the United Kingdom, Nigeria, Brazil, Guatemala, Trinidad and Tobago, and Antigua and Barbuda, among others. Our specialized network of legal counsel for transnational asset location and recovery has now expanded to include almost 60 lawyers in 50 countries. **FraudNet has global reach.**

## What is FraudNet and How Does it Work?

Recent advances in electronic funds transfers now ubiquitous across the globe have exponentially increased fraud's stealth potential; the opportunity to steal ever greater amounts with apparent invisibility and impunity. The simple fact is that stolen money moves exponentially faster today than victims can without their own rapid deployment force of international asset recovery specialists.

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Today, members of FraudNet are able to take rapid, coordinated, and focused action on behalf of fraud victims in most jurisdictions throughout the world. What amounts to a private asset recovery rapid deployment force reaches into jurisdictions where fraud detection and redress can be a legal minefield, and where the chances of successful asset recovery have historically been thought to be slim.

Following strict criteria set by its member-elected Standards and Procedures Committee, FraudNet seeks to select one highly skilled and experienced asset recovery lawyer for every country, although some larger or multi-lingual countries, like the United Kingdom, the United States, Brazil and Switzerland, have multiple FraudNet lawyers. The ultimate goal is to ensure a jurisdictional entry point and a uniquely qualified local representative in every country, providing victims with access to a seamless global, multi-jurisdictional task force of hand-picked experts.

## What Makes FraudNet Unique?

FraudNet is a geographically expansive, but highly select network of world-class asset recovery lawyers. Except for the larger countries noted above, only the top specialist in each nation with a distinguished record in asset tracing and recovery is invited to become FraudNet's exclusive member in that country. FraudNet's members are individual lawyers, not entire firms, and membership is both personal and non-transferable.

Members are required to govern themselves according to rigorous professional standards and rules enforced by FraudNet's self-governing Secretariat, through its elected Standards and Practices Committee.

FraudNet's Standards and Procedures Committee, operating under the aegis of the FraudNet Secretariat of the ICC, diligently identifies and vets each proposed FraudNet member candidate by checking their background and references and conducting lawyer and client interviews. In this way, FraudNet brings the collective reputation and expertise of the world's foremost anti-fraud lawyer network to bear in order to ensure exceptional, effective and ethical client service at all times by each of our individual members.

FraudNet also delivers seamless team coordination based on experienced cross-border cooperation in prior cases, allowing the team to tailor a specific global legal strategy for each client matter that takes into account the strength and weaknesses of specific legal remedies in each concerned jurisdiction.

In 2009, FraudNet launched the publication of the FraudNet Compendium: Asset Tracing and Recovery, which provides a comprehensive summary of asset tracking and recovery topics and gives a country-by-country analysis of asset recovery tools in targeted countries.

Creative fee arrangements, including full and blended contingency arrangements, may be considered in appropriate circumstances. Additionally, FraudNet has access to sources that may finance investigation and recovery efforts in certain situations.

## FraudNet's Civil Action Recovery Team Approach

FraudNet was designed around the concept that international fraud and corruption require concerted, multi-jurisdictional, private expertise and action over and above traditional law enforcement. The challenge with relying on law enforcement is not their lack of preparation, but rather, that the authorities' focus is on punishment of the criminal and occasionally forfeiture of crime proceeds, not on reparation for the victim. Furthermore, law enforcement's international reach is constrained by the formalities of international law. Finally, although well prepared, most law enforcement agencies lack the resources to react quickly enough to freeze assets before they are transferred beyond the authorities' jurisdiction.

Therefore, even though fraud and corruption are criminal acts, merely relying on the actions of the authorities is not enough to obtain full or significant compensation for victims. Fortunately, this is the singular and specialized focus of FraudNet teams that not only locate and recover fraud proceeds, but also pursue replacement assets by obtaining compensation from financial institutions and other professionals who may be held liable for breach of fiduciary and other duties under the law. FraudNet teams utilize all available and appropriate legal remedies at their disposal, which, depending on the jurisdiction, may be exclusively civil remedies, or include suing for damages in criminal proceedings or, in many cases, an international blend of civil and criminal remedies.

## Expeditious and Efficient Asset Recovery is FraudNet's Primary Mission

As soon as he or she accepts a case, the FraudNet lead lawyer assembles a strategic transnational team from within the network to meet the particular investigative and recovery challenges presented. Next, the client's hand-picked team promptly organizes a forensic investigation, and then selects the optimum jurisdiction to commence court proceedings, whenever and wherever necessary.

Each selected FraudNet team moves quickly and diligently using specialized disclosure, gag and seal, and investigative orders (e.g., 28 USC 1782 and Anton Piller/Banker's Trust Orders). With their specialized arsenal of civil remedies and procedural tradecraft, FraudNet lawyers can force third-party financial institutions where assets are hidden to disclose client information, and do so secretly, without tipping off the targeted fraudsters. Other civil court orders grant FraudNet teams police-like powers to obtain documents and enter and search premises to retrieve critical information about the transfer and current location of fraudulently obtained assets. In jurisdictions where civil remedies do not exist, FraudNet teams work cooperatively with law enforcement authorities to freeze local assets and obtain evidence regarding the location of assets in other jurisdictions, for use in civil or criminal proceedings by other members of the team.

After an investigation is successfully concluded, the FraudNet team takes concerted action to freeze the target's assets across the globe in multiple, simultaneous civil court actions. FraudNet lawyers also use injunctions or freeze orders to prevent fraudsters and their accomplices from selling assets before they can be liquidated to satisfy victims' claims.

## Our case experience

### Complex Commercial Fraud

Represented the Hong Kong office of a major international accountancy firm in litigation over the use of offshore trusts established and controlled by that firm in a fraudulent scheme by the former directors of a New Zealand company and its solicitor to keep its major assets from creditors and a liquidator.

### Foreign Corruption

Representation of foreign national governments in proceedings for recovery of assets derived from corruption, embezzlement and fraud, as well as representation of such governments in civil and criminal proceedings including the Republic of Nigeria in the Abacha cases, involving assets forfeited in Switzerland, Luxembourg, Jersey and Liechtenstein in an amount of more than US\$ 1.6 billion.

### Asset Tracing and Recovery

Represented an Australian manufacturer in relation to a substantial fraud perpetrated by the CFO of its New Zealand subsidiary over a five year period, including asset tracking and recovery from businesses and real estate into which stolen funds had been introduced.

### Ponzi Scheme

Represented both the Chapter 11 trustee in pre-existing bankruptcies of a U.S. energy investment firm (and its 26 debtor affiliates) concurrently with the Receiver for the same and other related entities in a U.S. Securities and Exchange Commission (SEC) receivership. The claims of creditors and investors exceeded US\$ 700 million in what the SEC described as "a massive Ponzi scheme." A plan was expeditiously developed and confirmed to implement a complex asset liquidation that restored 100 percent plus interest to creditors with approved claims. A liquidating trust was also established to pursue litigation against third parties for the benefit of preferred stock holders.

### Receivership

Served as a Receiver for a German GmbH which defrauded at least 1,000 Germans in an investment fraud involving the transfer of assets to several banks in the Isle of Man, Guernsey and the British Virgin Islands, where the fraudster incorporated several companies to shield the fraud proceeds.

## Our case experience

### Banking Fraud

Represented a New Zealand foreign exchange firm in a claim against another foreign exchange dealer and an overseas reserve bank in relation to claims involving the authenticity and negotiability of a large quantity of commemorative currency which was to have been withdrawn from circulation by agreement among the other parties but was dishonestly presented to our client in the course of a currency transaction.

### Fraud Investigation and analysis

Represented one of the major Italian companies listed on the Milan and NY Stock Exchanges, in relation to a complex investigation concerning conspiracy, bribery and misappropriation carried out by former managers against the company and its shareholders.

### Insurance Fraud

Represented groups of Colombian and Austrian lenders/investors in US\$ 500 million vertical insurance fraud Ponzi scheme class action lawsuit in Miami and obtained favorable settlement for both groups from funds frozen by the SEC Receiver.

### Property Fraud

Involved in investigating a multi-million dollar California community property claim. Assets placed by husband into offshore trust to the wife's detriment. Successfully secured the recovery of assets for the client.

### Commodities Fraud

Defended associated Canadian oil companies and their Jersey subsidiaries against a multi-million pound claim brought by the Jersey subsidiary of another Canadian oil company for damages and an accounting in relation to an Iranian oil transaction.

### Securities Fraud

Initiated a criminal complaint on behalf of thousands of shareholders of a publicly owned US company, who were the victims of one of the largest "pump and dump" schemes ever investigated by the SEC, involving more than US\$ 330 million of fraud proceeds laundered in Switzerland by the managers of the company. The criminal complaint was withdrawn after a settlement was reached, which provided for the payment to the victims of US\$ 200 million, which had been frozen in another jurisdiction.