



VLADIMIR SOLOMANIDIN SAYS SHELF COMPANIES, FAKE SWISS BANK GUARANTEES AND CLANDESTINE CARGO THEFT ARE SOME OF THE TACTICS DESIGNED TO FLEECE UNSUSPECTING TRADERS IN RUSSIA.

Crime in Russia over the last 10 years has reached such proportions it is now difficult to ever see it being reigned in.

Economic crimes are the most popular form of illegal activities facing Russian authorities, taking centre stage above other crimes.

There is a perception that this is society's payment for the prompt, surprising transition from a state-regulated economy to a one-market system. As the new Russian economy develops, the need for professional private detectives is apparent.

With the expansion of the new economy comes sophisticated economic scams and criminal activities. This presents opportunity for private investigators to tackle an endemic problem, investigating and preventing potential losses of millions of dollars.

Corporate investigations in Russia usually stem from allegations of corruption at executive and senior management levels of large, international companies. The net gain for individuals is purely self-enrichment. In the majority of cases, managers lobby the interests of distributors and suppliers, hampering and restricting business cooperation with other companies.

In Russia, any form of investigation is fraught with danger and usually conducted under demanding circumstances. Human and ethical considerations are foremost in the minds

of investigators, many believing it is unacceptable to suspect the involvement of colleagues, let alone conduct inquiries into their business and personal activities.

It is important for private detectives to work unobtrusively so they do not unsettle the normal rhythm of the client company and, in particular, to work in a manner which does not place the staff on edge.

Money laundering is common in Russia. Recently Moscow's elite investigation agency, Alternativa-K, was assigned to investigate an alleged fraud being perpetrated by the manager of large multi-national corporation which has an office in Moscow.

Colleagues noticed the manager was constantly lobbying in the interests of several firms, ignoring recommendations that he should develop other distributor networks. The manager had his favourite Russian firms which, coincidentally, were the only consignees of goods coming from two German companies which had contracts with head office in London. The contracts had been prepared by the manager.

Alternativa-K received instructions to conduct some background checks on the manager. Around the same time, head office received a proposal from the manager to grant the two German companies three-month goods credits, valued at more than \$US3 million. On face value, the proposal looked

reasonable, however the huge credit facility being sought appeared uncharacteristic.

Alternativa-K recommended management delay signing the extended credit facility. With the assistance of World Association of Detectives investigators in Germany, background inquiries on the two German companies confirmed suspicions. The owners were none other than the manager and a relative. The companies existed in name only and had no tangible assets.

Money previously sent under existing consignment contracts had been moved through a complicated system of bank transfers and finally

misappropriated by the manager. The matter resulted in serious fraud charges being

instigated by the other Russian companies. The German companies had intended committing further fraud on a much grander scale with no intention of repaying money. But a diligent investigation avoided serious losses for the corporation and allowed its Moscow office to maintain and continue its normal business operations in Russia.

The irrefutable evidence gathering during the investigation forced the manager to make admissions. Now, with

**COMPANIES EXISTED
IN NAME ONLY AND HAD
NO TANGIBLE ASSETS.**



IN RUSSIA, ANY FORM OF

the threat of a long jail sentence, he has elected not to come back to Russia.

INVESTIGATION IS FRAUGHT WITH DANGER AND CONDUCTED UNDER DEMANDING CIRCUMSTANCES.

There are an ever-increasing number of cases where fraud is committed by foreign swindlers with the assistance of Russian colleagues. A Russian company dealing in non-ferrous metals exported from a large plant in Siberia requested a background check on a US-registered company interested in its product.

The American company had provided substantial business references from foreign companies, and a bank guarantee from a Swiss bank. The Russian company was eager to move quickly when it became known the US-based company was also negotiating a similar deal with another supplier.

However, a thorough investigation showed the US company had never been registered, its telephone service a front, and the Swiss bank guarantee was a fake.

Indepth investigations revealed the person behind the initial introduction was a native of Estonia who had a criminal record. The Russian company was astounded to learn its potential US partner was a tricky swindler, but it was not convinced.

The reluctance stemmed from knowledge that the rival company had signed a deal with the US company and

shipped goods valued at several million dollars. Further concerns were raised when it was learned the US company

had apparently paid for the goods. Alternativa-K advised the client to wait a couple of weeks until the rival company could confirm payment.

The advice was heeded. The competitors did not received the money, and the cargo was reloaded onto another vessel in an English port and disappeared.

The Russian company which sustained the losses initiated vigorous legal action in a claim for damages against the US partner.

Unfortunately, even after six months, the management of the Russian company could not understand why he could never find anyone responsible for the losses. Nobody answered letters or telephone calls to San Francisco.

Russian crime is not only organised gangs, mafia and criminal elements within the country.

Criminal groups see Russian businesses as an easy target. Regardless of your product or business activity, thorough, comprehensive background investigations are the cornerstone of any new business development or partnering considerations.

The author: Vladimir Solomanidin, World Association of Detectives Area Governor, is general director of Moscow's elite investigation agency, Alternativa-M, which was founded in 1994.

MEXICO

Professional service since 1948

- Locations
- Insurance claims
- Criminal and civil record checks
- Corporate & Personal background checks
- Credit rating inquiries
- Surveillance
- Process serving
- Fraud investigations
- Auto repossession
- Copyright, trademark or patent violations
- Internal company investigations (undercover)
- Pre-employment screening
- Bug detection (TSCM)
- Due diligence

Fernando Molina

Empresa #186-302 Esq Ave Insurgentes Sur Extremadura C.P. Mexico City 03740 D.F. MEXICO
 Tel: +52-55-63-7081
 Fax: +52-55-63-6849
 fernando@incomer.com.mx
 www.incomer.com.mx

