

The Hunter of Billions

Offshore Monies *When Banks and Authorities search for the proceeds of crime in offshore havens then they often call Martin Kenney.*

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Martin Kenney appears fresh out of the shower in the Admiral's Lounge at New York's JFK Airport. The frequent flyer has just arrived from a conference in Dubai and in an hour and a half will fly on via San Juan to the British Virgin Islands (BVI). He quickly packs away a Caesar salad with grilled chicken. The lawyer comes across as small and brawny, and not just somewhat.

The 51 year old Canadian with Irish roots is renowned as one of the best specialists worldwide when it comes to tracking down millions that have been misappropriated by fraudsters. Whether leafing through batches of bank statements, having the rubbish of a criminal combed through over a period of months, or hiring an informer to befriend the criminal, Kenney doesn't give up until he has managed to secure the return of most of the money to its rightful owner. Even when the search last years and costs millions.

He tracked down millions misappropriated by the super fraudster, Bernie Madoff, on behalf of a Swiss bank. However, he doesn't talk about that: confidential. The British Financial Times calls Kenney the Top Money Hunter. Canadian specialist magazine, The Canadian Lawyer, describes him as one of the most driven and trustworthy lawyers out there, owing to his modern day Robin Hood reputation and his pitbull-style methods.

Time and again Kenney's path leads to Switzerland. Most recently he secured artworks in Zurich that had been purchased as a vehicle to launder money by the banker Edemar Cid Ferreira. The Brazilian defrauded his bank, Banco Santos, out of \$800 million. The financial institution was declared bankrupt in 2005. The man is serving a 21-year sentence for the fraud. Indeed until recently there was no trace of the money. A high-gloss magazine about Ferreira's art collection set Kenney in hot pursuit; amongst the pile of artwork, 1000 pieces of

his illegitimate collection were from the masters such as Jackson Pollock. One trail led to a gallery in Manhattan where Ferreira was a regular customer. There Kenney discovered documents that led to a series of storage facilities in European cities where works were stored - amongst them Switzerland.

The last place in the world

For the renovation of his villa alone the Brazilian spent \$65 million. When Kenney put in action the seizure of the property, he discovered Brazilian papers that led to a Swiss bank account that was managed by a Bahamian company in trust for Ferreira. That was two and a half months ago. Since then nine further accounts have been discovered.

“If I were a criminal, Switzerland would be the last place in the world I would hide my money,” says Kenney. “The authorities there are unbelievably professional when it comes to identifying and stopping money laundering. They are amongst the best in the world.” Indeed in the last 20 years Switzerland has witnessed a sea change in the culture of financial centres. “They realised the negative publicity and effect of the bank secrecy laws,” says Kenney. “Now they have found a better balance between the laws of privacy and justice.”

The rogues of this world still love Switzerland, however. “The air of bank secrecy pervades Switzerland and Lichtenstein now as it did then - that magically draws them in.” However the main reason why malefactors hide their money in such bank accounts is the stable legal and contract system: “A fraudster fears nothing more than another fraudster.” That’s why accounts in Turkmenistan and the Ukraine don’t have the same attraction for big time fraudsters.

Professionals can manage to set up 20 different and independent routes for their misappropriated money, all designed to place the greatest distance between the fraud and the proceeds in every possible way and method. Next to Switzerland, favoured hiding places include Lichtenstein, Singapore, Belize, Panama, the British Virgin Islands, Guernsey, Nevis, the Cook Islands, and Canada. “Often one lead will lead to another – but some monies will remain forever hidden,” advised Kenney.

When Kenney is engaged on a new case, he first travels to the scene of the crime: “Initially you enter a pitch black room. There you must orient yourself and identify Mr. Big.”

Economic crime seems to be a male dominated field - only once in his career has Kenney had to deal with a female fraudster.

After that Kenney takes care of every manner of paper, documents, bank statements, everything that the victim can provide. Then Kenney tries to find out whatever he can about the Fraudster, his life style, his telephone numbers, his domicile, and his travel routes. Kenney loves private jets in particular - they are registered with a number which enables one to trace where in the world the owner has spent time.

Kenney's goal is not just to track down the lost money. More important for the restitution to the victims is the chain of evidence that can lead to the criminal. That is easier said than done. Often economic criminals manage to place 20 to 40 different layers between them and the proceeds of fraud. Kenney follows the money from its source, through account after account across the whole world.

In one case Kenney discovered buildings in Canada that were held by various numbered companies, for example 8769542 Alberta, Inc. The capital in question came from a series of offshore companies that in turn belonged to a Netherlands Antilles domiciled company. Behind that company was a trust and behind that in turn the real criminal who had misappropriated \$250 million through a mass marketing scam.

Kenney keeps a team of 25 experts in the BVI busy. There are forensic accountants, as well as experts who previously worked for Scotland Yard. Two lawyers in New York and Dublin are also included. In addition, he has a software programme that organises all discovered leads into a diagram that can also be viewed quickly according to years. Often his clients are banks - first line employees defraud the banks of money regularly.

Whoever engages Kenney needs a thick wallet. A successful trace can cost \$10 million, if not more. As some victims are left bankrupt as a result of the fraud, Kenney also organises investment pools that finance the recovery in return for a share in the recovered proceeds. In extreme cases, Kenney – who normally charges by the hour – offers to take the work on for a success fee: usually around 30 % of the recovery.

“My job is fun,” says Kenney. His empathy is what drives him. Often his clients are at their wits’ end - they contemplate suicide or suffer from a heart attack. “I want justice for my clients. Whoever thinks that slogging one’s way through thousands of files is boring is kidding himself. In our office there is no shortage of energy. We are emergency lawyers, for us it’s straight to the point.”

Kenney played ice hockey in college and nearly took up a professional career with the NHL. These days he channels the aggression of the sport into the hunt for monies. Even today he feels the same adrenaline that he once experienced as a young New York lawyer who returned \$720 million to its rightful owner for the first time. “I worked all day long without sleeping.” Towards the end he brought in a colleague who befriended the fraudster. He recorded their conversations with a hidden recording device. For six long months he followed the malefactor’s every move until he gave in and confessed. “He offered to pay everything back if I would just get off his case.” Kenney’s intensity is genetic: His Brother, Jason, is the Minister of Immigration in Canada.

“Fraud is psychological warfare”, Kenney quotes the New York psychologist, Alexander Stein, an expert in the field. Sure it’s his personal ambition to keep the upper hand. Time and time again Kenney has had to deal with personal death threats. “Once I sat at the bargaining table with a fraudster and he roared at me that he would like to rip my head off,” Kenney shudders at the thought.

He could tell tales of robbers for hours on end, but the fast yet extremely mindfully spoken lawyer holds himself back. It’s more important for him to talk about his campaign against kleptocratic dictators. “Corruption is just as much a crime against humanity as genocide. It can lead to famine and poverty.” Together with lawyers from Nigeria, France, and Dubai he wants to procure the prosecution of corruption as an international crime before the ICC in The Hague.

Kenney personally followed the monies of the Nigerian dictator Abacha. These days he is busy trying to track down the monies of the overthrown Tunisian tyrant, Zine Ben Ali. He stops mid sentence and looks at his watch: “I have to catch my plane.”
