

The Circuit

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For Security And Protection Specialists

JEFF BEZOS
Security Fail

**Introduction to
CyberSecurity**

The Impact of
STREET CRIME
On Security Professionals

**PRESIDENTIAL
PROTECTION**

**DEATH OF A
JOURNALIST**

By: Orlando Wilson

DUE DILIGENCE & WHY IT'S REQUIRED

“If you were going to put in a proposal for \$1 Million contract how much work would you put into it, months right?”

The vast majority of problems people have with business deals, investments and their personal life could be avoided if they bothered to do even the most basic due-diligence and background checks on those they are dealing with or getting into relationships with.

From a corporate perspective to start with, you need to ensure that the people you're dealing with are not scammers, the asset you're going to buy or invest in actually does exist and is not owned by a 3rd party.

The biggest blocks that prevent people from carrying due-diligence is their egos as they feel they are wise enough to spot a scammer, also they don't want to offend those they are dealing with by seeming not to trust

them. These are things that scammers and manipulators exploit to the maximum. I forget how many times I have heard people who have been scammed or victimized say they thought the perpetrator was a decent person because

they were introduced to them by a friend, my reply to this usually is "define a friend". The sad reality is most individuals that people class as "friends" don't have their best interests at heart and would happily gossip or profit from them having personal or business issues.

Before I go on to give you some examples think about this, if you were going to put in a proposal for \$1 Million contract how much work would you put into it, months right? Well you can be assured scammers and criminals will be working harder if they are targeting you for a crime of the same amount, as they need to ensure they get away with their crimes.

When the wall between the Soviet Union and the West went down in the 90's Eastern Europe was a place that was open for business with high-risk and high-reward. Many a foreign investor lost big bucks and were lucky just to walk away in one piece. Due-diligence was possible, but many investors did not have trustworthy local advisers and lawyers, who many of times were part of the scams; such things have been happening since man started doing ►

business and always will!

One prominent case that I remember was of an oil exploration company based in the Republic of Ireland that had been working in far eastern Russia and had found oil and set up the drilling wells. This is when their problems began. When the project was on the brink of making a profit several people turned up with deeds to the land this exploration company was working and drilling on and accused them of trespassing, stealing their resources etc. A big legal mess in a corrupt court system ensued and the exploration company lost.

I expect they had been set up from the beginning... Why not let a foreign company come in and do all the work and if they strike it rich, just take them to court and kick them out... Easy, right? Now that was Russia in the crazy days, so let's move ahead 12 years or so to the Dominican Republic (DR) in 2007. I was asked to check out a large development project in the Luperon area of DR for potential security issues and provide an overall threat assessment. I had a knowledgeable local contact with me and to cut a long

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story short the project stank, which was not what the clients wanted to hear.

The company behind this project had already set up a big pre-sales office in Santo Domingo, the capital of DR, and paid for land rights etc. The physical security for the project was nothing special, it would have been the same as any luxury development with the added requirements for basic maritime security and cooperation with local customs and immigration. The problem was the local attorney that the company had hired to oversee the project, who was your typical sleaze bag wannabe big shot attorney. After making some enquires of our own we discovered that no-one had really heard of the guy, he had no offices in the capital and people were surprised he landed such a big client. I have nothing against small companies or players hitting it big as long as they can play at the required level.

This clown was just telling the client's representatives what they wanted to hear. At the meetings instead of answering our questions regarding land rights and ownership etc. he always diverted questions towards

the client's representatives and would change the subject to things like architects, interior design and furniture suppliers which was more to the rep's liking than the nitty gritty of business. They were "beautiful people", this project was going to make everyone millions, what could go wrong... Well about 6 months after I put in my report and they had just started to develop the land up turned the lawyers of two of the very well-connected local families wanting to know what they were doing on their land and the project crashed.

In such scams the scammers will wait until the investors have invested a decent sum of money and assets thus gaining some leverage to get a deal out of the investors, if not then they have still benefitted from the work the investors have done and what assets they have left behind or have been seized in legal proceedings.

Lawyers are another source of problems as many people take it they are honest and working in their interests, sadly this is usually not the case, attorneys tend to work in their own interests. This ►

is something I saw clearly in the U.S. while living there for 16 years. Before moving there my main dealings were with lawyers working in Eastern Europe, who for the most part knew if they screwed over their client they would not be getting sued but more likely would get a bullet in the back of their heads. Hitmen are cheaper than lawyers... When dealing with lawyers remember that for the most part their main goal is to make as much money out of you as possible, not to solve your problems quickly, more billing hours, more money for them.

When dealing with your typical sleaze bag lawyer, and I have witnessed this

many times, things will go like this: they will say you have big problems and they will solve all of them just to get a retainer out of you, they will find more problems and issues that will cost you more money, and they will do the minimum required of them legally to solve your problems, what do they care, you've already paid...

Even if people come from what you believe to be trusted sources, check them out, your source could have been misled or been scammed themselves. Just because someone seems respectable it does not mean they are, perfect people are usually the ones hiding the most!



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Years ago in the late 90's, I was dealing with a gentleman who got scammed out of close to \$2 Million U.S. with an investment project and there was nothing he could do about it. The scammer was introduced to him by associates who as far as he knew could have been in on the scam. The scammer was living in Riga, Latvia and the let's say the victim visited him there and was taken on a tour of high-end properties which the scammer claimed to own, which he did not, taken to the best restaurants and I am sure introduced to some very attractive young ladies. So, the victim transferred his funds to the scammer and over the next few months made a decent return on his investments, which he reinvested and then one day, bang... He lost all his funds and owed the scammer \$80k for fees. This case lasted about two years and the scammer even though had a long record of

international financial scams and had an active warrant for his arrest from the US he took the case to an arbitration court in London and the decision was split.

This was mainly due to the fact the victim was not going to put up £10K GBP to cover his half of the fees for the arbitration.

So, armed with the split decision the scammer could argue his innocence to the authorities in Latvia where he was being looked into. When the victim first approached me, my associates and I started with running a background on the scammer and cross checking all the info he had given the victim, which of course was 90% fake. During this initial phase I also had a problem with a private investigator in the State of Florida.

I had just arrived in the US from the UK and needed a background check on ►

this scammer ASAP. I was pointed to a prominent Private Investigator ex-cop in South Florida, who ran the background check and identified that the scammer owed \$4 million in taxes but did not pull up the federal warrants. I take it the PI wanted to save a few dollars on the background check for himself and only ran a civil history check, not criminal. At that moment knowing the scammer had U.S. warrants would have given us some leverage with the local police in Latvia; this was rectified quickly but should never have had to be rectified.

Even though I went to a locally well-respected Florida State Licensed Private Investigator it turned out he was a waste of time, and I also wonder how many other people he had provided bad information to over the years. This was a good introduction for me of the investigation and security market in the U.S. and very

much a case of the "big fish in the small pond" who I am sure was adequate for his local clientele. The thing you must remember about big fish is when they leave their ponds and stray into the open seas, they tend to get eaten by sharks...!

So, from this short article hopefully you can see that you need to be very careful if you're doing business with someone be it for \$100.00 or a few million dollars. The money and time spent on due-diligence can save you untold headaches and legal fees in the future. Sadly, trust is not something that we can afford these days, and even people who were trusted last week can turn on you and stab you in the back this week. I think you will agree it's common sense to make due-diligence, client and internal monitoring part of your business practices as it protects your interests and provides the foresight for success!

Orlando Wilson has worked in the security industry internationally for over 25 years. He has become accustomed to the types of complications that can occur, when dealing with international law enforcement agencies, organized criminal and Mafia groups. He is the chief consultant for Risks Inc. and based in Miami but spends much of his time traveling and providing a wide range of kidnapping prevention and tactical training services to private and government clients.



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