
Kroll – Investigative Support to Arbitration - Challenges and Case Studies

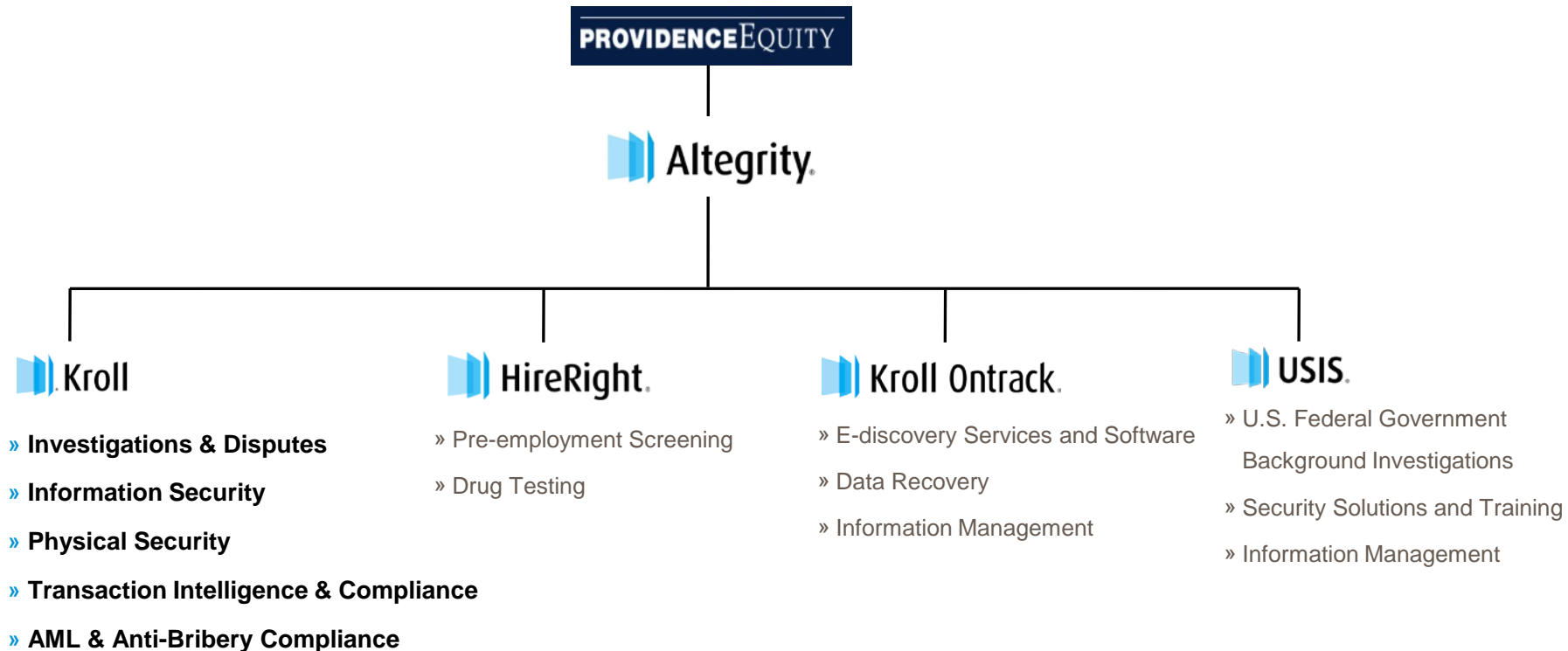
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Alex Volcic, Senior Director, Kroll CIS and Russia



Kroll is part of the Altegrity Group

A Portfolio of Market Leading Capabilities and Brands



Global Presence

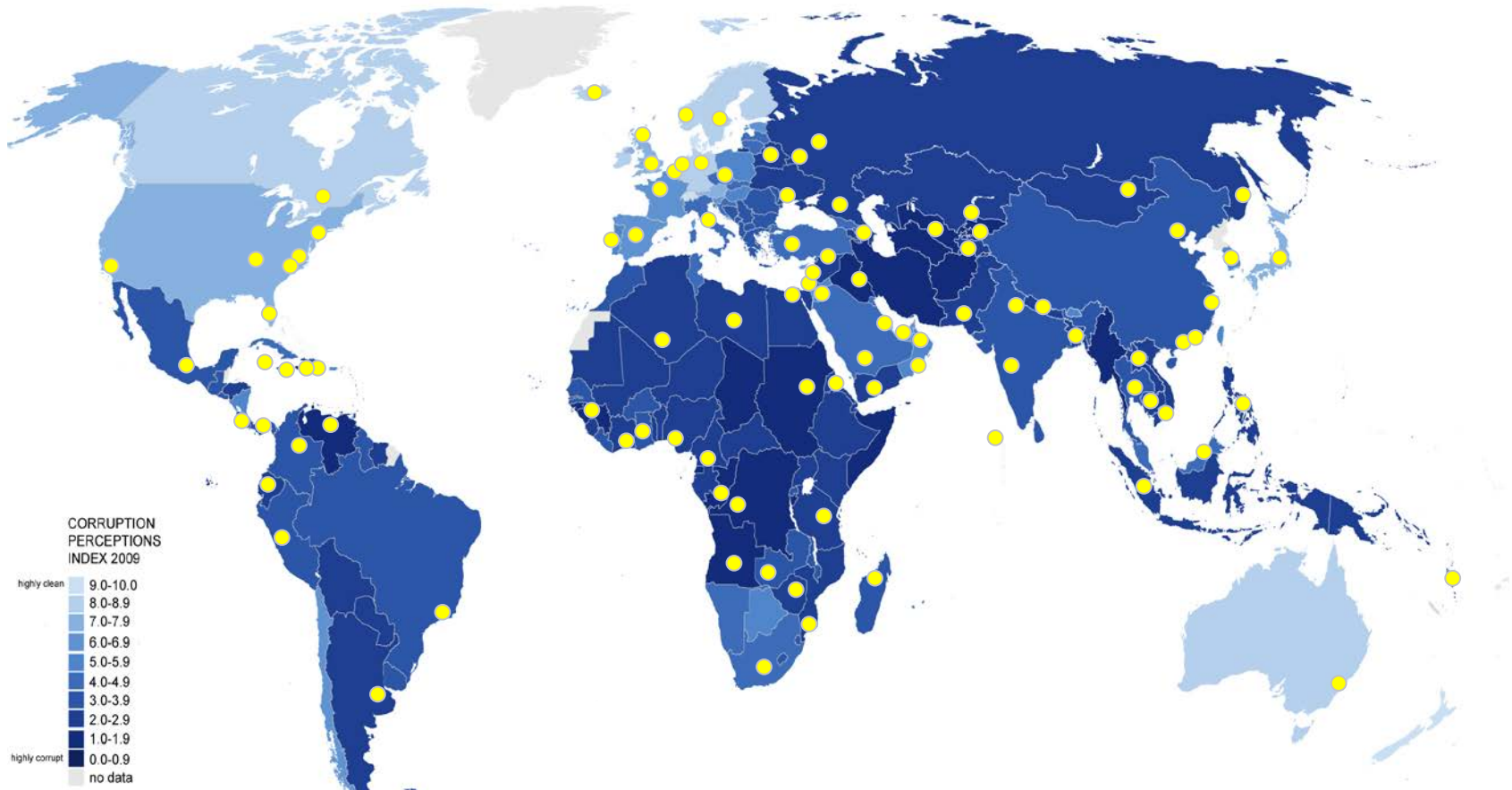
Uniquely positioned in multiple jurisdictions

- Kroll operates from **45 cities across 28 countries, with nearly 4,000 employees**
- We are **at our best in more challenging jurisdictions**



Engagements in the last 12 months

Established expertise in multi-jurisdictional investigations



Resources

Wide-reaching experience & access to information

In-house expertise:

Professional Experience¹	<ul style="list-style-type: none">- Accounting- Commerce- Compliance- Economics- Financial technology- Government- Intelligence- Investigative Journalism	<ul style="list-style-type: none">- Investment Banking- IT- Law- Law Enforcement- Political Science- Strategy Consulting
Language Skills¹	<ul style="list-style-type: none">- Arabic- Bahasa (Indonesia & Malay)- Cantonese- Catalan- Chinese dialects- Czech- Danish- English- French- German- Greek- Hebrew- Hindi- Hungarian- Italian	<ul style="list-style-type: none">- Japanese- Kazakh- Korean- Mandarin- Norwegian- Polish- Portuguese- Russian- Slovakian- Spanish- Swedish- Tagalog- Thai- Turkish- Ukrainian- Vietnamese

1. Not an exhaustive list

External Resources:

- Kroll has access to a variety of unique specialist resources which complement our in-house capabilities:

Network of investigation specialists providing unique expertise in specific industries and geographies



Subscriptions to fully comprehensive set of global databases



Access to corporate data, litigation records, media information, international compliance watch-lists and more



Kroll Service Offerings

Kroll can assist companies across the business life cycle



Kroll has three principal practice areas

■ Compliance

- » Compliance led due diligence, AML and ABC compliance, third party and vendor screening

■ Transaction Intelligence

- » Business, Market Entry & Transaction Intelligence

■ Investigations & Disputes

- » Asset tracing, fraud and bribery investigations

Case study - Middle Eastern state

- **Kroll was retained by a U.S. company which expected to win an international arbitration award against a sovereign government in the Middle East.**
- **The company sought to identify non-immune assets in the United States. The difficulty with seeking attachment to sovereign assets is that most jurisdictions consider sovereign property immune from attachment, subject only to certain exceptions.**
- **Kroll's research disclosed that a government owned corporation sold millions of dollars of products to corporate clients in the United States.**
- **Kroll identified the clients and the bank through which payment for the products were made.**
- **Kroll also identified ships and aircraft wholly owned by the government. The dispute was settled in 2012.**

Arbitration Support – Solutions

- **Pre-Action Profiling of Opponents – Use investigative techniques and tools to understand an opponent’s history, drivers, controlling interests, associates, and disclosed and undisclosed backers.**
- **Assist clients in putting together information needed for applications to obtain interim relief.**
- **Investigative Work for Asset Identification – Use international public records and proprietary databases, as well as various investigative tools, to understand structure of assets and link nominal owners and beneficial owners together.**
- **Assist clients in understanding local phenomena, such as limitations of access to information in offshore zones and abundance of record in other jurisdictions, such as U.S.**


Arbitration support – Key Challenges

- **Unclear Motivation – context and goals for bringing a dispute not always clear. Why file at this time? What else is happening with the plaintiffs? What are the unstated short and long terms goals?**
- **Lack of Clarity in Arbitration and Settlement Targets– What are the leverage points? How does one understand the opposing party’s position?**
- **Once you obtain the award - how do you enforce it?**
- **Identification of Assets – What assets can be frozen or claimed? How does one approach asset identification internationally? How does one approach the issue of offshore zones and nominal owners/shareholders? Which are the helpful jurisdictions?**
- **Large Volumes of Data – How does one analyse and store data? How does one overcome the challenges of e-document retrieval and analysis of information in multiple languages?**

Effective public record research : not just Google...

- **Public record analysis comes from searching press archives, the internet, proprietary databases, manual retrieval of other records from relevant industry, government and regulatory bodies**

Examples of public records sources that can be reviewed:



Corporate records
Family tree searches
Criminal records (selected jurisdictions)
Property and other asset searches (optional)
Local and international regulatory checks
English and local language media and internet checks
Professional bodies
Trade and industry specific data

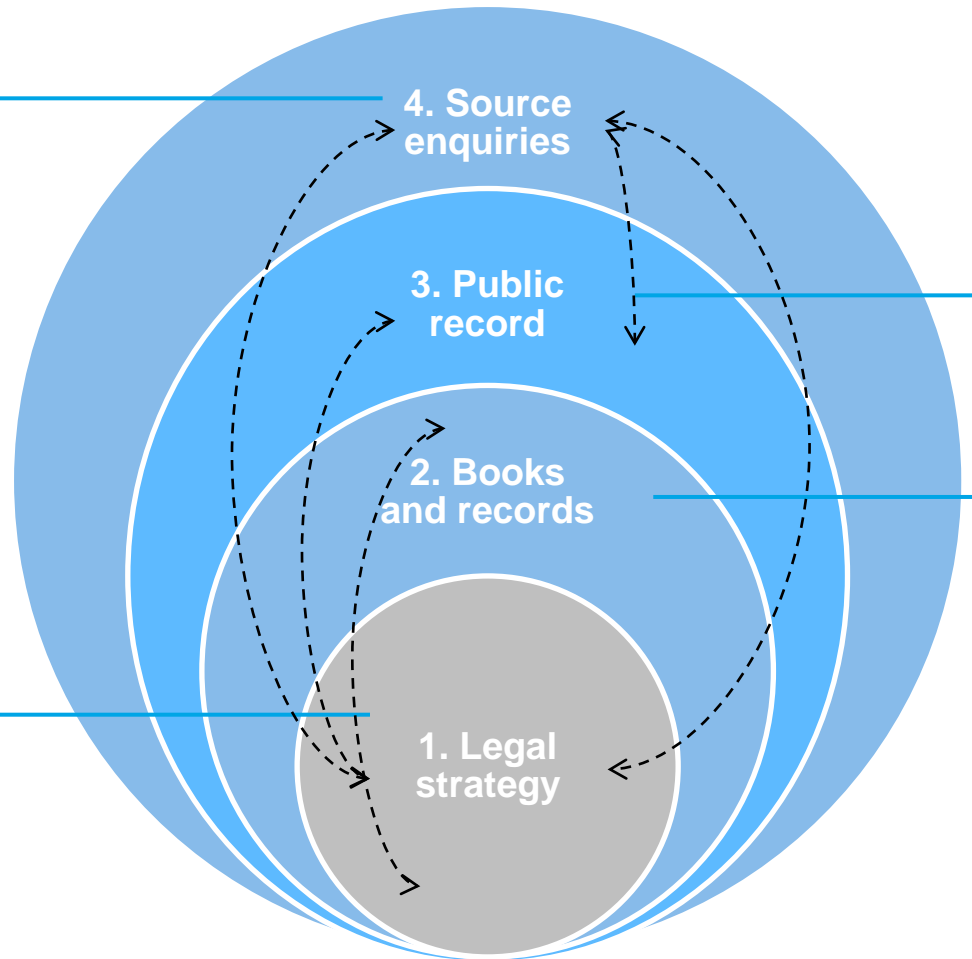
Best Practice: A co-ordinated approach

Source enquiries

Human intelligence enquiries to deep-dive in jurisdictions where public record patchy or difficult to interrogate. sources;

Legal strategy

- What are the assets that need to be identified and attached?
- What are the jurisdictions where this will be possible?



Public domain searches

- Public domain research will supplement findings from internal data

Forensic Accounting

- Books and records are key - but follow the cash;
- Consider the use of data mining;
- Take into account local anomalies.



Alex Volcic, Senior Director

Alex Volcic is a Senior Director in Kroll's Moscow office. Alex joined Kroll in 2004 and previously worked at the London office. He has worked on complex international Fraud investigations, internal investigations and investigations into potential Foreign Corrupt Practices Act breaches. Alex has conducted cases in Germany, the former Soviet Union and the Middle East. In 2011, Alex left Kroll to work in BP's Fraud and Misconduct Investigations team. This role focused on internal investigations in the former Soviet Union.

Professional Experience

- » Led an investigation into alleged payments to public officials in a Russian manufacturing company part owned by a western private equity firm.
- » Led litigation support assignments for major law firms involved in multi-jurisdictional litigation and arbitration projects for major Russian clients.
- » Supported western advisors whose clients were making investments in Russia and the CIS, through pre-transactional due diligence and market entry studies.
- » Participated in major reputation management projects for Russian clients seeking financing from western financial institutions.
- » Conducted numerous asset tracing exercises involving multiple European and off shore jurisdictions. Alex has a lot of experience in tracing complex corporate structures across multiple jurisdictions.
- » Investigation into an alleged large scale theft of inventory at a major European electronics manufacturer.

Education & Certification

- » BSc in Government and History, London School of Economics and Political Science
- » MPhil Russian Politics, London School of Economics and Political Science

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