

# Lloyd's List International

Fraudbusting: the intelligent way to track tricksters: From fugitive ships to financial fiddling, experts use unusual intelligence to apprehend their targets

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"WHAT do you mean, it is up the Mekong?"

The line crackled and went dead. It was an enigmatic start to the task of tracking a vessel that could have been steaming anywhere in Asia.

Experts at business intelligence company Grayson Pender Wordsworth had been asked by a top law firm to identify where the elusive ship would turn up -either empty or carrying low value cargo, so that it would be available for seizure with the least complications.

It could have been a farce of "carry on up the river" proportions, but clever sleuthing slapped a lid on any such games.

Andrew Wordsworth, one of the directors of GPW, explains: "Knowing that the ship drew far too much water to be up the Mekong we quickly activated our networks of sources to establish where the vessel was really going. By the end of the day a source at an agent in Piraeus assured us that the ship was picking up cargo in China and would be available for seizure in ballast at Singapore Roads within the week."

That enabled the investigators to coast to success. "Upon seizing the vessel, the owners instantly transferred the funds owing to our client," recalls Mr Wordsworth.

Such posers in the maritime and wider financial world are everyday fare for GPW, founded by Patrick Grayson, Peter Pender-Cudlip and Mr Wordsworth in 2004.

The company specialises in using investigative methods and business intelligence to help clients solve complex commercial, legal and financial problems.

Mr Grayson says: "Our involvement is often triggered when a client asks, 'If only I knew that'

"With a firm grasp on the issues at stake, an ability to marshal a wide and diverse array of intelligence, and the application of a high degree of practical common sense, we often play a pivotal role in our clients' decision making process."

Typical assignments include investigating in support of litigation and disputes, witness location, asset tracing, fraud investigations, transaction due diligence, post-deal investigations, reputation issues, and competitor intelligence.

Litigators, investors, bankers, insurers and corporates are turning more and more to such specialists to wrap up disputes as quickly and neatly as possible.

"Our ability to grasp our client's issues is crucial. Do they wish to recover assets, resolve a dispute, capitalise on a situation or gain leverage?" says Mr Wordsworth.

Mr Pender-Cudlip adds: "Armed with accurate intelligence, clients can make key business decisions with confidence."

The founding trio have complementary experience and skills. All once worked for the Kroll group, one of the beacons of contemporary private intelligence gathering.

Mr Grayson has over 25 years experience in business intelligence. He was for 15 years a professional soldier; six years with Imperial Tobacco in international brand management and marketing; three years with Heckler & Koch, at the time Germany's largest weapons manufacturer, as an advisor on the organisation of special forces units; and three years with Defence Systems (now ArmorGroup) as a founding partner and head of Middle East operations, advising local government agencies on security and anti- terrorism, and the US State Department on security issues in the region.

In his eight years with Kroll Associates, he established the company's first non-US office, in London, and was managing director, and later deputy chairman for Europe.

Mr Pender-Cudlip has 10 years experience in the City. Most recently he was deputy head of Kroll's London business intelligence and investigations practice.

He has conducted a wide range of assignments including litigation support, pre-transaction due diligence, mergers and acquisitions, shareholder dispute support, asset tracing and fraud investigations. Before that, he had careers in law (Norton Rose), investment banking (Schroders) and financial public relations (Citigate Dewe Rogerson and Finsbury).

Mr Wordsworth worked in hedge fund design for the MAN Group until, in 1995, he entered business intelligence. Most recently he was a senior director of Kroll, running investigations globally. Mr Wordsworth, a member of the New York Bar, is expert in international asset tracing.

"All hedge funds keep their funds offshore and their finances opaque," he explains. "When I came into this business I discovered that the methods of international fraudsters and money launderers were very similar."

A couple more 'war stories' will illustrate why all those qualifications count.

Auditors had inspected a fast growing company looking to list within six months. A last round of financing was proposed before listing. Industry sources confessed they were baffled by the margins being generated.

A close reading of the accounts unturned no problem - but sources pointed to a set of parallel accounts, kept in a cardboard box in head office.

Mr Wordsworth said: "Our client was unwilling to act on our findings, believing them to be hearsay coming from bitter industry rivals. So we suggested that the auditors conduct unexpected visits to the various depots, and make a point of inspecting the warehouses from front to back."

As a result of the investigation it was revealed that the company was faking its stock levels, and the potential investment was in receivership within three months.

In another example, a client was anxious to show that major corporate losses in an invoice factoring company resulted from fraud, while the insurers naturally sought to demonstrate that fraud only took place in covering up the scale of the losses.

Mr Pender-Cudlip says: "We were able to demonstrate that there were suspicions about all of the corporation's transactions, even those in the earliest stages of the business. We also revealed that the principals of the company had a track record in fraud."