

# LUBRINCO

## **The Lubrinco Group**

*Investigation and Asset*

*Recovery Specialists*

**Investigations and Asset Recovery**

**AML Compliance**

**Intellectual Property and**

**Critical Information**

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## **About LUBRINCO Group**

LUBRINCO is committed to providing effective solutions to complex financial matters with honesty, integrity, and professionalism. We partner with our clients, both domestically and internationally, to not only identify existing issues in Risk and Compliance programs, but also to provide effective, value-oriented solutions to those problems.

Because our team is composed of practice professionals who possess day-to-day experience in a number of compliance, risk management, investigative and financial services disciplines, we're able to achieve clients' goals with unparalleled levels of efficiency and effectiveness.

Core Competencies Include:

- Independent AML Compliance Program Assessment, Review and Testing
- AML Program Development for Central Banks and Governmental Entities
- International Due Diligence and Enhanced Due Diligence
- International Financial Investigations
- Asset Identification and Location
- Identification, Valuation and Protection of Intellectual Property & Critical Information
- Training associated with any of our Core Competency areas
- High-Threat Protective Services

## **Asset Recovery**

Location of concealed assets requires the ability to understand stakeholders' various interests and rights, and the full range of options available for possible recovery by counsel. Every situation is different. Some are driven by fraudulent activities such as embezzlement, money-laundering, or other financial crime, while other cases may arise from suspected bankruptcy fraud or from a high-value or high-profile divorce proceedings.

However, all asset location situations require specific skills and abilities, including an ability to understand competing interests. The ability to work toward cooperation where appropriate and to maximize recovery for the party who has engaged our firm is critical to success in such endeavors. Recovery of missing assets requires participation of appropriately skilled and experienced counsel. Recovery efforts are best started early, and are best done with minimum publicity.

Forensic in nature, such financial investigations are designed to reveal, quantify, and help recover from some form of wrongdoing, in contrast to due diligence investigations, which are predominantly designed to avoid problems. Areas requiring location of concealed assets include:

## **Financial Fraud**

LUBRINCO possesses a high level of competence dealing with complex international financial fraud. We have been very successful in helping locate substantial assets hidden abroad. In an

average year we are involved in efforts to locate for seizure more than \$600 million in concealed or laundered assets.

## **White Collar Crime**

The location of concealed assets is a key factor in an intelligent cost/benefit analysis of any collection effort. Once an inquiry reveals connections with a specific offshore jurisdiction or jurisdictions, it is vital that members of the investigative team are experienced in the methodology employed in the identified jurisdictions for the collection of evidence and related tasks.

Our expertise in the nuts and bolts of business operations, combined with our comprehensive experience in all aspects of corporate asset recovery, makes The LUBRINCO Group uniquely qualified to provide asset location services for recovering counsel.

LUBRINCO has the ability to conduct sophisticated 'Means versus Ability' testing, also referred to as 'Reality Testing.' We research and document the spending habits (ability) and compare that to the information on income and assets (means). If the ability exceeds the means, the individual has undisclosed assets or undisclosed income.

## **Anti-Money Laundering Compliance (AML)**

Solving the AML compliance challenges of covered financial institutions requires more than familiarity with relevant laws and regulations. Effectively addressing money laundering and terror financing compliance requires real-world experience with the underlying criminal activities that lead to money laundering, an ability to foresee opportunities that money launderers see, in-depth knowledge of investigative methods, and a honed understanding of regulatory expectations.

Effective AML Programs integrate the entire hierarchy of a financial institution, from the Board of Directors who are ultimately held accountable for non-compliance, to all of the firm's relevant employees responsible for identifying unusual activities indicative of possible money laundering. Accordingly, AML Programs benefit greatly from professionals who have gained insight through experience as a designated AML and BSA compliance officer at one or more financial institutions.

LUBRINCO personnel are prepared to meet these challenges, having extensive experience in Federal law enforcement, financial investigations, risk management, regulatory experience and AML compliance.

## **The value of Intellectual Property and Critical Information (IPCI)**

By most calculations, seventy percent of the value of a modern company lies in its IPCI, its intellectual property and critical information. Unfortunately, IPCI is an intangible. Some senior managers don't understand how something that is intangible can have real value. This lack of understanding is compounded by the fact that The Public Company Accounting Oversight Board (PCAOB) says that IPCI developed in-house has no book value, which many erroneously equate to having no economic value need of protection. Therefore, they do not take appropriate

measures to protect it, nor do they identify its value appropriately. Because of this IPCI is easily lost to competitive intelligence, economic espionage, inappropriate disclosure, and theft. Recent articles continue to identify the massive financial and reputational losses associated with IPCI-related losses.

So what is the result of this? Substantial revenues booked as income by someone else. According to the 2002 Annual Report to Congress on Foreign Economic Collection and Industrial Espionage, U.S. businesses fail to take \$300+ billion in revenues each year because of competitive intelligence, economic espionage, inappropriate disclosure, and theft. According to a study by the American Society for Industrial Security (ASIS), the average discovered incident reduces revenues by \$50 million in a manufacturing environment and \$500,000 in a non-manufacturing environment.

Our experience indicates that when we find one incident, we more often than not find another two. With the potential of up to 600,000 incidents each year in the United States, it is a near-certainty that your firm is a likely target, and highly probable that your firm will become a victim if they have not already done so.

***The LUBRINCO Group can help you address issues affecting your organization:***

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***Other locations: Nassau, Bahamas Beijing, China Toshkent, Pakistan***

