

\$100m fraud probe linked to terror attack

Crime Firm's offices destroyed on September 11

David Gow in New York
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[The Guardian](#)

The FBI has joined forces with criminal investigators around the world to look into an alleged fraud worth up to \$100m (£70m) by managers of a New York-based private investment company which had offices in the destroyed World Trade Centre, it was reported last night.

Amid allegations that First Equity Enterprises used the terrorist attacks on the twin towers to divert attention from the fraud, the Financial Times said the US authorities, including the postal inspection service, were investigating the disappearance of three or four of its senior managers.

Separately, it was reported in New Zealand that Auckland police were investigating the same currency fraud after being contacted by 50 New Zealand investors who had lost some NZ\$20m (£5.8m).

First Equity, which lost its offices, but no employees, on September 11, is the sales and accounting arm of Evergreen International Spot Trading, a foreign exchange broker for private investors which is reportedly owned by Russian-born entrepreneur Andrei Koudachev.

The FBI in Washington and New York refused to comment on any investigation.

Calls to Evergreen's three New York offices went unanswered last night. The company has also removed its website from the internet.

But Albert Guglielmo, Evergreen's president and one of only four remaining staff after 100 were laid off following the terrorist attacks, was quoted as saying: "Lawyers are crawling all over this. There are banks involved and they don't want to be stung."

Evergreen and its subsidiary are said to have built up 1,500 investors in 14 countries over the past four years, with British investors among those who fear they have lost their money, including one reported to have put in \$12m.

First Equity ceased trading two weeks after the attacks and, since then, according to the Financial Times, private investigators have traced some of the alleged missing money to Swiss bank accounts.

Mr Guglielmo said two big US banks, JP Morgan Chase and Bank One, the National Australia Bank, owner of the Clydesdale and Yorkshire Banks in the UK, and Bank of New Zealand acted as the main account intermediaries, handling clients' transactions.

One British private investor, quoted by the Financial Times, said: "I invested £20,000 18 months ago and within a year it had generated 27% growth. I was so encouraged, I put in a further £20,000. Now I've lost nearly £50,000."

The case is the first of its kind to emerge since the September 11 attacks left part of New York's financial centre in rubble, killing thousands of financial staff in banks, insurance companies and brokerages.

The events of September 11 have become the costliest manmade catastrophe on record and the total cost to the world insurance industry, initially put at between \$10bn and \$15bn (£7bn to £10bn), has been steadily creeping up, and could be more than \$30bn.

A report by New York's comptroller, Alan Hevesi, into the financial effects of the disaster published earlier this month estimated the city could lose 115,300 jobs this year, while the value of the buildings account for \$45bn and the blow to the economy could run to another \$60bn.