

NEW ZEALAND HERALD

Investors' New York millions missing

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By SIMON HENDERY

New Zealand investors have lost at least \$20 million and police have joined an international fraud investigation after more than \$200 million was stolen from a New York currency trading firm after the World Trade Center attack.

The Takapuna CIB is investigating the disappearance of money from a Bank of New Zealand account used by clients of New York-based Evergreen International Spot Traders.

The missing money is part of almost \$20 million belonging to 18 New Zealanders who invested with Evergreen.

Detective Senior Sergeant Mike Bush said the CIB was working with the US Justice Department, which was investigating the missing money.

US authorities launched an inquiry after Evergreen told the FBI last month that its financial clearing house, First Equity Enterprises, had failed to honour requests to transfer funds to Evergreen clients after the September terror attacks in the US.

The Australian Financial Review reported yesterday that \$80 million was missing from a National Australia Bank account in Melbourne used to hold funds for hundreds of Australian Evergreen investors.

The missing New Zealand and Australian money is part of a pool of more than \$200 million belonging to Evergreen clients in 14 countries.

First Equity which had sole authority to access the international accounts used by Evergreen's clients, including those in New Zealand and Australia had its offices in one of the World Trade Center towers destroyed in the September 11 terrorist attacks.

After the attacks, Evergreen told clients no First Equity staff had been killed and the business of both companies was unaffected.

But late last month, Evergreen clients discovered their requests to First Equity to transfer funds were being ignored and First Equity's president has since disappeared.

The Financial Review said it understood only \$200,000 was left in the NAB account when it was frozen by the US authorities this month.

The BNZ would not comment, referring the Weekend Herald to police.

Detective Senior Sergeant Bush said a lawyer hired by Evergreen's New Zealand clients had traced some of the missing money to Switzerland, and had travelled to New York this week to continue investigations.

Both the lawyer and their clients had asked not to be identified.

Evergreen has been operating since 1997 and specialises in trading major currencies. It is understood to have generated much of its international business by "cold calling" prospective clients and encouraging them to invest.

While many made only small initial investments, the strong returns the company generated encouraged investors to increase their holdings. Some clients also encouraged friends and family to invest.