

Leonid Reiman / Jeffrey Galmond / IPOC International Growth Fund Ltd. (Bermuda)

Case ID:

ARW-110

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Russian Federation

Position of Public Official(s) (yrs in office):

Telecommunications Minister and Advisor to President (Reiman, to 2010); Attorney to Mr. Reiman (Galmond)

Jurisdiction of Asset Recovery:

Bermuda

Jurisdiction of Asset Recovery ? Description:

Undertaking Recovery Effort, Location of Recovery Effort

Asset Recovery Start:

2004

Asset Recovery End:

2008

UNCAC Offenses Implicated:

Art.19

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Other

Basis for Intl Cooperation:

Investigative cooperation between British Virgin Islands and Bermuda - exact mechanism unknown

Contributing Factors in Asset Recovery:

Joint investigation by the British Virgin Islands and Bermuda into the corporate vehicles domiciled in their respective jurisdictions. The British Virgin Islands High Court noted in its judgment against IPOC International Growth Fund Limited and co-defendants that "In his concluding remarks, Mr Hodge QC [Queen's Counsel] commended the work done by the Bermuda Police and the Royal Virgin Islands Police Force as well as the Attorney General's Chambers in both jurisdictions saying that well over one-half million pages of documents were produced during the 17 month investigation signifying the complexity and density of this case." (Source: In the Matter of the Proceeds of Criminal Conduct Act (No. 5 of 1997) of the Laws of the Virgin Islands between The Queen v. (1) IPOC International Growth Fund Limited, (2) Lapal Limited, (3) Albany Invest Limited, (4) Mercury Import Limited, The Eastern Caribbean Supreme Court in the High Court of Justice (Criminal Jurisdiction), Criminal Case. No. 12 of 2008.)

Status of Asset Recovery :

Completed

Assets Returned (USD) - Description:

Please see British Virgin Islands entry for total recovered amount

Agreement for Returned Assets:

No

Agreement for Returned Assets - Description:

N/A

Case Summary:

Please see entry case entry for British Virgin Islands. In a Ministerial address of May 18, 2008, Bermuda's then-Minister of Finance Paula Cox stated that on May 7, 2008, in the Supreme Court of Bermuda, Justice Kwaley ordered that a group of companies collectively referred to as IPOC be wound up under the provisions of sections 1232(10)(a) and 161 (g) of the Companies Act 1981. Minister Cox, acting as Finance Minister under authority of section 132 of the Companies Act to initiate investigation of companies, hired the consulting firm, KPMG to investigate the IPOC International Growth Fund. Based on KPMG's findings, the wind-up petition was presented to the Supreme Court in 2007. Bermuda cooperated with British Virgin Islands in that jurisdiction's investigation of IPOC and she stated that "As a result of the criminal conviction in the BVI, some \$45 million of assets belonging to IPOC has been confiscated and will be shared equally between the British Virgin Islands and Bermuda. Bermuda's share of these proceeds will be placed in the Confiscated Assets Fund." (Source: Ministerial Statement by Minister Paula Cox, May 18, 2008 at <http://www.plp.bm/node/1273>, posted at <http://www.plp.bm/node/1273>.)

Disposition of Criminal Case(s):

According to a judgment by the British Virgin Islands High Court of Justice, in 2008, the IPOC International Growth Fund and three associated international business companies formed in BVI (Lapal Limited, Albany Invest Limited, and Mercury Import Limited) pleaded guilty and were each convicted of two counts of perverting the course of justice and furnishing false information, in violation of the BVI Criminal Code. (Source: Judgement in AG v. IPOC International Growth Fund Limited, Jeffrey Galmond, and others, Claim No. BVIHCV2007/0088, British Virgin Islands High Court of Justice (civil) and In the Matter of the Proceeds of Criminal Conduct Act (No. 5 of 1997) of the Laws of the Virgin Islands, between The Queen v. IPOC International Growth Fund Limited and others, Crim Case No. 12 of 2008, British Virgin Islands, High Court of Justice (criminal jurisdiction).

Jurisdiction of Origin: Investigative Agency:

N/A

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

N/A

Jurisdiction of Origin: Courts Involved:

N/A

Jurisdiction of Asset Recovery: Investigative Agency:

Bermuda Police Service; Attorney General's Chambers; Ministry of Finance; Bermuda Monetary Service

Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

Registrar of Companies

Jurisdiction of Asset Recovery: Courts Involved:

Supreme Court (Commercial Court) of Bermuda; Court of Appeal for Bermuda; [International Court of Arbitration, Zurich and Geneva]

Documents:

Reiman_Bermuda_Cox_Statement_IPOC_May_1_2008.doc

Reiman_Bermuda_Cox_Statement_May_2008.pdf

Reiman_Bermuda_IPOC_Bermuda_SCt_Dec_6_2007.pdf

Reiman_Bermuda_Share_Proceeds_Royal_Gazette_May_2_2008.pdf

Documents Links:

http://www1.worldbank.org/finance/star_site/documents/arw/Reiman_Bermuda...
http://www1.worldbank.org/finance/star_site/documents/arw/Reiman_Bermuda...
http://www1.worldbank.org/finance/star_site/documents/arw/Reiman_Bermuda...
http://www1.worldbank.org/finance/star_site/documents/arw/Reiman_Bermuda...

Other Sources:

Ministerial Statement by Minister Paula Cox on IPOC, May 18, 2008, as posted on the website of the Bermuda Progressive Labour Party, at <http://www.plp.bm/node/1273>;

Government of Bermuda, The Cabinet Office, Department of Communication and Information, "Press Statement by the Minister of Finance, the Hon. Paula A. Cox, JP, MP, "IPOC Group of Companies," May 1, 2008;

In the matter of (12) IPOC International Growth Fund Limited, and others, Supreme Court of Bermuda (Commercial Court), Companies (winding-up), case 2007: Nos. 12, 12A-12H (December 6, 2007 judgment) and Between IPOC International Growth Fund Ltd. and OAO "CT-Mobile", LV Finance Group, In the Court of Appeal for Bermuda, Civil Appeal No. 22 & 23 of 2006 (23 March 2007 judgment), obtained September 2010 from the website of the Bermuda Judiciary, Government of Bermuda at <http://www.gov.bm/portal/server.pt?open=512&objID=204&&PageID=226633&mod...>

Government press release and related court decisions can also be downloaded from the Government of Bermuda, The Cabinet Office webpage at http://www.oagbermuda.gov.bm/portal/server.pt?in_hi_space=SearchResult&i...

Jonathan Kent, "Bermuda, BVI to share IPOC confiscation," The Royal Gazette (Bermuda), May 2, 2008, accessed at <http://www.royalgazette.com/siftology.royalgazette/Article/article.jsp?a...>