

## **Leonid Reiman / Jeffrey Galmond / IPOC International Growth Fund Ltd. (BVI)**

**Case ID:**

ARW-111

**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:**

British Virgin Islands

**Jurisdiction of Asset Recovery ? Description:**

Undertaking Recovery Effort, Location of Recovery Effort, Asset Location / Alleged Asset Location

**Asset Recovery Start:**

2006

**Asset Recovery End:**

2008

**UNCAC Offenses Implicated:**

Art.19

Art.23

**Money laundering Implicated:**

Yes

**Legal Basis for Asset Recovery:**

Criminal Prosecution and Forfeiture

**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:**

\$45,000,000 (total recovered, shared between Bermuda and BVI)

**Agreement for Returned Assets:**

No

**Agreement for Returned Assets - Description:**

N/A

**Case Summary:**

As part of their 2008 conviction in the British Virgin Islands, IPOC International Growth Fund Limited (Bermuda) and three associated companies were In May 2006, an international arbitration tribunal in Zurich "found that Minister Reiman of the Russian Government was the beneficial owner of IPOC [International Growth Fund Limited (Bermuda)] and that he committed criminal acts under Russian law." (Source: as cited by the British Virgin Islands Court of Appeal, 18 June 2008, Civil Appeal No. 30 of 2006, in IPOC International Growth Fund Limited (Bermuda) v. LV Finance Group Limited (British Virgin Islands)). IPOC and its associated corporate vehicles formed in Bermuda and BVI were the subject of a lengthy joint investigation by those jurisdictions for alleged money laundering activities. In 2008, IPOC 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).

**Disposition of Criminal Case(s):**

According to a 2008 judgment by the British Virgin Islands High Court of Justice, 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:**

Royal Virgin Islands Police Force; Attorney General's Chambers; Financial Investigations Agency

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

Attorney General's Chambers, Director of Public Prosecutions

**Jurisdiction of Asset Recovery: Courts Involved:**

The Eastern Caribbean Supreme Court, High Court of Justice (Criminal Jurisdiction); High Court of Justice (Civil); [International Court of Arbitration, Zurich and Geneva]

**Documents:**

Reiman\_BVI\_Cox\_Statement\_May\_2008.pdf

Reiman\_BVI\_IPOC\_Bermuda\_SCt\_Dec\_6\_2007.pdf

Reiman\_BVI\_IPOC\_LV\_Finance\_ACT\_30of2006.pdf

Reiman\_BVI\_Share\_Proceeds\_Royal\_Gazette\_May\_2\_2008.pdf

**Documents Links:**

**Other Sources:**

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;

IPOC International Growth Fund Limited (Bermuda) v. LV Finance group Limited (BVI), BVI No. 1 Court of Appeal, 18 June 2008, Civil Appeal No. 30 of 2006;

In the matter of (12) IPOC International Growth Fund Limited,, and in the Matter of the Companies Act 1981, In the Supreme Court of Bermuda, Commercial Court, Companies (Winding-up), 2007: Nox. 12, 12A-12H (Decision dated December 6, 2007);

In her Ministerial address of May 18, 2008, Bermuda's then-Minister of Finance Paula Cox 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." Ministerial Statement by Minister Paula Cox, May 18, 2008 at <http://www.plp.bm/node/1273>, posted at <http://www.plp.bm/node/1273>.

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....>