

Metal Traders Charged in International Bank Fraud Scheme

In May 2002, three (3) principals and the former treasurer of a group of metal trading companies were charged with conspiracy to commit bank fraud, mail fraud, and wire fraud in connection with a sophisticated international scheme to defraud banks worldwide of more than \$600 million. The investigation was initiated following the filing of several SARs on the business by different banks claiming significant losses.

Since May 2000, the group of metal trading companies allegedly stole millions of dollars in loan proceeds from several banks around the world by fabricating collateral and misrepresenting the existence of the underlying business transactions. The companies represented themselves to be in the business of brokering sales of non-ferrous metals suppliers and purchasers worldwide, arranging for overseas shipments of metal, and providing interim financing for purchasers. In order to provide such financing, the companies began entering into loan agreements that eventually gave them access to over \$1 billion.

(Source: FBI)

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