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Pittsburgh company Klink & Co. crosses globe to track down money

Pittsburgh Business Times - by [Anya Litvak](#)

His name is Jeffrey Klink, and he awakes each day certain of three things:

There will be fraud.

More often than not, it will not be prosecuted.

And once the money is gone, it's likely gone for good.

"Companies spend billions protecting their reputations and their brand," said Klink, a former federal prosecutor who founded the global risk management company Klink & Co. Inc. in Pittsburgh.

That's why theft has such a steep punishment curve.

"If you rob a bank, the minimum under the sentencing guidelines is five or 10 years (in prison). If you steal \$50 million, you will probably go free," he said.

Klink's public profile has gone up since the Bernie Madoff case took off with the nation's comfort level.

Klink & Co.'s investigations begin with a balance sheet, a database or a criminal background check. Frequently, the work takes him and his 15-person staff around the world, operating through a network of uber-connected intelligence agents in places as varied as Austria and Azerbaijan.

It's not glamorous work, he said, but if it helps, picture the following text typing out across the screen in a series of beeps:

Client No. 1:

National retail chain

Mission: Explain why a purchasing manager's Swiss bank account information was found in the company's copy machine.

Report: The employee, whose annual salary was around \$100,000, was observed driving a luxury **BMW** and buying a fancy house. She was tracked going on a trip to Hong Kong when she told her employer she was taking a week off to spend time with her family.



Joe Wojcik

Onetime federal prosecutor Jeffrey Klink has been involved with many interesting cases since starting his own global risk management company.

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In Hong Kong, the manager was seen having a romantic dinner with one of the vendors for the client, with whom, it was revealed, she was having an affair and who was supplying her with kickbacks.

Postscript: The company was able to get more than \$2 million back from the vendor and fired the purchasing agent.

Client No. 2:

South American mining company

Mission: Find out why a certain mineral, believed to be unique to the client, is flooding the market.

Report: International whispers brought Klink's investigation to the Congo, where Klink learned about the involvement of Victor Bout, a former Soviet air force major who later earned the nickname "Merchant of Death" for allegedly running the world's largest arms smuggling operation using a fleet of airplanes that he owned. The "merchant" has been accused of funneling guns to al-Qaida and the Taliban, among others. Klink determined Bout's planes carried the mineral in question from Africa to Estonia for processing.

"So that's our guy, and it's a pretty dangerous guy," Klink thought. Klink was in a hotel in Berlin, nearly finished with the report for his client, when a polite German gentleman phoned his room and demanded to meet in the lobby.

"Mr. Bout is aware of this investigation," he told Klink. "He's not happy about this, and he'd like you to stop."

"That would be fine with me," Klink replied and caught the next plane home.

Postscript: Bout is awaiting extradition hearings at a maximum security jail in Bangkok, where he was arrested last year on charges of arms smuggling.

Client No. 3:

European hedge fund

Mission: Run a check on a businessman whose new venture proposed mining timber in Brazil and transporting it to China for processing. He already received a \$3 million advance from the hedge fund. Klink's client never hired a due diligence firm before, but was recently defrauded of tens of millions of dollars and decided to change course.

Report: The businessman's record was clean in Israel, Brazil and the U.S., where he said he's done business. In China, the \$3 million he said he needed to secure land was nowhere to be found. It didn't add up.

"So we asked people, if you're in timber, where would you be in the 1990s?" Klink said. Once again, the query brought his agency to Africa, where it was revealed that the businessman was accused of massive fraud.

Postscript: The hedge fund pulled its financing and was spared a potential loss of around \$500 million.

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