***Specialized Judicial Course on International Cooperation***

**Session 2.3**

**Utilizing Electronic Evidence Acquisition Thru International Cooperation Mechanisms**

**WolfJäger Case Study Synopsis**

Public Prosecution Office in Frankfurt, Germany, started to receive number of complaints by German citizens about possibly fraudulent actions by on-line investment companies who advertise lucrative investments on the financial markets, including DAX, TecDAX, Midcap and others.

Possible fraud is starting with online advertisements for persons interested in investments in financial instruments connected to the said financial markets which can provide very high income. By clicking on the on-line advertisement membership template screen opens and possible victim is invited to leave personal information including name, surname, contact telephone, e-mail address, home address and possible range of the investment.

Very soon possible victim is contacted by phone by person who is representing itself as the sales-person/broker of the on-line trading company which is trading on one of the said financial markets, offering the opening of the trade account with company for the starting fee of 250 to 300 Euros.

Sales person/broker is well aware of all data which possible victim left in the on-line template, but it seems that sales person has additional interest in private life of the possible victim which is explained as ”tailoring the experience and making the right proposals for the customer”.

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Additional interest is directed towards the possible victim and its’ family overall income from all sources, existing additional assets and properties and valuables, victim and family members lifestyle and strivings, victim and family friends and more.

Possible victim considers that all these question are in order and directed towards best possible solution for market investments, what is supported by sales person/broker communication.

Financial instruments which are offered for investing are ”binary options” basically representing prognosis on the value of certain stock or commodity on the market at certain date and time. In the case of the good guess certain profit is paid out while in opposite case all invested money is lost.

Next step is that victims are advised to increase investments by transferring money from their credit cards accounts to the broker provided on-line account of the ”Cactus Market” Victims have access to their on-line accounts where they can observe status of their investments and earnings. Earnings are showing steady increase in significant amounts what, in combination with “broker” advices, assures victim to continue investing.

However, when victim wants to withdraw investment and earning, broker is rejecting that action due to the “market rules”. When victim continues to insist significant or full pay-out or withdrawal of invested and “earned” money, “broker” transfer victim to the “higher management”. Higher management person continues to persuade victim to continue with investments but some of the victims do not comply and the insist on the paying out.

After such request within short period of time, in most cases within 24 hours, ”manager” informs victim that due to the financial market fluctuation its’ “ binary option” portfolio is lost and all money is gone, what can be seen on the on-line account as well by the victim. Victims start to panic and asks for additional explanations and in person, not on-line contact with broker or/and management.

After such request communication stops. No one answers phone calls and on-line account is deleted. Damages are on personal level ranging between tens of thousands to hundreds of thousands of Euros. Number of complaints grows. It seems that fraud is siphoning millions, or even tens of millions of Euros.

German Prosecution must react fast.

Initial police reports are showing that all contacts, phone or e-mail, are made by using VOIP or Web e-mail services. None of the IP address are in Germany. VOIP addresses are leading towards South-East of Europe, mainly Serbia and Bulgaria. Initial victims banking reports are showing that account to which victims payed money is in Czech Republic. ”My Market” broker company is not registered in Germany or in Czech Republic. Victims reported that brokers represented themselves with German names and surnames and that they spoke in perfect German without an accent.

Prosecution starts investigation with immediate and urgent Mutual Legal Assistance Letters of Request.