

Qwest Forensics: bringing intelligence to bear



Phil Butler

The devil is in the detail where claims and counterclaims are concerned – and it's our job to root out and verify those details, writes *Phil Butler, Qwest Forensics*

It's reassuringly difficult in the maritime industry today for any individual or organisation not to leave a trail of some description – but that doesn't stop the unscrupulous from trying.

Just as importantly, innocent parties will understandably apply any means possible to prove that they have acted lawfully. The motivations couldn't be more different, but it invariably comes down to money; either trying to keep what's rightfully yours or trying to evade or subvert legal processes to covertly make an illicit return.

This, in a nutshell, is the background to the rigorous investigative work we do at Qwest Forensics. Our job requires us to unearth often infinitesimal details, supported by irrefutable documentary evidence, that will either expose or corroborate the true facts in each case. With a workforce comprised of former police and military intelligence officers, marine professionals and qualified financial and cyber experts, our collective experience in this field equips us well for the task. To the layman, 'forensics' is an evocative term, synonymous with scientific precision, but we are often asked how we actually go about pursuing the incontestable truth. With Qwest Forensics, our services are grouped under five headings.

Due diligence

Due diligence requires us to dig into the financial background of a particular counterparty to assess whether they can honour their commitments. The research we conduct verifies if they'll be able to pay the money that our client stands to earn from them through the terms of their contract.

A recent example involved a Peruvian cement manufacturer wishing to charter ships from our Owner client to transport its cement to Africa over a six- to nine-month period, a series of shipments requiring three vessels. The consequent hire earnings would amount to several million dollars, and we were able to demonstrate that the cement company was sufficiently solvent to cover these costs.

Asset tracing

Asset tracing represents the other side of the due diligence equation. In these instances, we're hunting for information and identifying assets for seizure if a counterparty has incurred a debt to our client and has failed to meet that debt. In some cases, securing such assets will be undertaken to satisfy a legal judgement.

In a recent example, one of our shipowner clients had nine ships on charter to a Singapore-based charterer, with a substantial sum of hire owed. The charterer in question refused to pay, terminating all communication. We were able to trace the shareholder interests to another company and establish a connection. Bank accounts were duly identified and blocked, and bunkers were seized. As a result, the owner's claim for the undisputed sums was satisfied.

Incidents

Here we investigate personal injury claims or examples of criminal activity. It's not unknown for crew members or passengers to essentially lie about injuries that may or may not have happened on board.

Obviously, such incidents do occur; people do fall over, damage their backs or suffer other injuries. Our job is to find out whether claimants are telling the truth and, if so, to ascertain the severity of their injuries or illnesses. This sometimes has to be done covertly; we need to observe people without them knowing, because if they are engaged in a fraud they'll tend to give themselves away at some point, perhaps by suddenly being able to walk without a stick when they think they're not being observed.

We are also able to closely examine the circumstances surrounding the very sad (though thankfully rare) occasions when a person goes overboard.

Smuggling and stowaway issues come under this heading as well. Shipowners often become mired in legalities following a smuggling incident, so we'll work out precisely what happened and where any blame might lie.

Port operations

We are often called upon to examine port facilities or specific conditions which have been blamed for causing vessel delays or other shipboard issues. We recently investigated the facilities at a West African port when a client's ship was delayed for a month, losing money while waiting to be loaded. The reason given was that a conveyor had broken down and was unserviceable. This part was true, but we found that there were two others in the port being used by other ships during that month. The shipowner's claim for the delay was duly settled as a result of the information we found.

Sanctions

Initiatives like the U.S. Government's Maritime Advisory system make it clear that the sanctions regulators expect all parties in the maritime sphere to implement a compliance programme that ensures they are not engaging, even unwittingly, in sanctioned activity. That means things like looking at the AIS and trading history of ships, the origin of cargoes being offered and the bona-fides of new clients. The penalties for being involved in a breach of sanctions are severe – perhaps even business-fatal – so taking prudent steps to protect your business is vital.

We can help. Our sanctions service uses a wide variety of intelligence and investigative tools to look at whether ships have gone somewhere they shouldn't, or transported cargo they shouldn't be carrying. When ships 'go dark', it's our service that will track those ships, find out what they were doing while they were 'dark' and then advising our clients about the risk profile of a particular activity or business being offered. One example of a potential case concerned a vessel which 'went dark' near Oman/Iran for reasons unknown. There were concerns that the vessel in question was smuggling Iranian oil, but our analysis showed that the break in broadcasts was partly down to shore-based AIS receivers being faulty during certain time periods, so we were able to confirm that the vessel hadn't sneaked across the waters to Iran after all.

These services are all internationally available round the clock, thanks to the West/CSolutions office network and our connections with worldwide authorities, and can be supplied on a case-by-case or retainer basis.

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