



## Kobre & Kim's Cross-Border Team

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# How Israeli UHNWIs Can Prepare and Respond to Criminal Allegations from Western Enforcement Agencies

**Ultra-high-net-worth individuals (UHNWIs) operating outside the United States have recently come under increasingly aggressive scrutiny from U.S. regulators, including the U.S. Department of Justice (DOJ), and international cooperation agencies such as INTERPOL. If an UHNWI is not adequately prepared, these accusations could potentially spiral into global asset freezes and seizures. Below, our team discusses pre-emptive measures these potential targets can take to mitigate associated risks.**

Ultra-high-net-worth individuals (UHNWIs) operating outside the United States have recently come under increasingly aggressive scrutiny from U.S. regulators, including the U.S. Department of Justice (DOJ), and international cooperation agencies such as INTERPOL. Many of these organizations have the ability to use far-reaching investigative tools to open intrusive investigations capable of attacking the liberty, assets and reputation of UHNWIs based merely on unsubstantiated allegations, including those reported in the press.

Particularly, new rules recently proposed by the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCen), which extend U.S. anti-money laundering (AML) requirements to investment advisors, indicate the latest attempt by U.S. authorities to scrutinize the global assets and financial transactions of UHNWIs.

Countries such as Israel are likely to work closely with the U.S. on these matters, and requests for information seemingly from Israeli authorities may actually be for the benefit of their U.S. counterparts. If an UHNWI is not adequately prepared, these accusations could potentially spiral into global asset freezes and seizures, INTERPOL Red Notices and extradition requests, financial sanctions, and even arrest. UHNWIs who believe they are likely to come under Western government scrutiny, especially where public allegations do not accurately capture the facts, should prepare to aggressively fight back as early as possible.

### How Can Clients Prepare for Risks?

At-risk UHNWIs can take proactive steps to reduce their risk and prevent investigations from spiraling out of control:

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1. **Get the Facts Straight.** When regulators target individuals and conduct outside their immediate jurisdictions, there is a risk they can misinterpret facts and make faulty assumptions. At-risk UHNWIs and their advisors can proactively prepare a factual narrative to set the story straight containing verifiable evidence, including for example: copies of contracts and transaction records, evidence that wealth was earned through lawful business activity, and documentation that certain key assets were purchased using clean and traceable funds.
2. **Correct the Record.** This factual narrative can be most effective if used strategically. In some cases, outreach to government bodies, international human rights groups and the press can further assist in correcting the factual record. Parallel legal proceedings in other jurisdictions to obtain court decisions affirming the legitimacy of offshore trusts and other asset structures can also be favorable additions to the record and further protect a UHNWI.
3. **Be Proactive.** If regulators fail to recognize their factual errors or misunderstandings, UHNWIs should anticipate potential escalatory actions from them and prepare accordingly. For example, UHNWIs who travel should have counsel with relevant cross-border expertise on standby in the event of searches, questioning, or even being refused entry when crossing borders.

As the US DOJ and other global agencies aggressively ramp up cross-border enforcement efforts, high-net-worth individuals potentially risk having their liberty, assets and reputations come under threat based on unsubstantiated allegations. A pre-emptive multijurisdictional strategy, grounded by an on-the-ground team of former U.S. and UK prosecutors, can make the biggest difference in helping targets address these risks head-on.

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### About Kobre & Kim

Kobre & Kim is a global law firm that focuses on cross-border disputes and investigations, often involving fraud and misconduct.

To preserve the assets, liberty and reputation of UHNWIs with global business interests, our firm:

- Provides offensive and defensive cross-border litigation and crisis management strategies in court and out of court;
- Brings together roughly a dozen former U.S. and UK government lawyers in EMEA, Asia, Latin America and the U.S., including former prosecutors from the U.S. Department of Justice (DOJ) and UK Serious Fraud Office (SFO);
- Has deep experience with global foreign policy, national security and economic controls and regularly interfaces with regulatory agencies that impose these controls.