

Insights



Michael Kim: Post-COVID Landscape Will Yield Increased Fraud on Global (non-U.S.) Scale

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Kobre & Kim founding partner Michael Kim recently sat down with Dan Packel of the *American Lawyer* to discuss how he thinks any ensuing recession in the wake of COVID-19 will see a rush of fraud-related claims, as well as creditor-debtor disputes on a global scale that was unseen in the 2007-8 global financial crisis.

Economic downturns offer opportunities for litigators, as wrongdoers are revealed and claims are filed. Kim believes there will be a rush of fraud-related claims, as up until early this year credit was cheap, allowing schemers to run fraudulent investment opportunities. When cheap credit runs out and investors look to cash out their investments, the fraudsters are caught, unleashing a rush of claims and disputes.

Kim also anticipates rising numbers of international debtor-creditor disputes. In the past few years, a growing number of Chinese banks have been lending to the developing world, funded by investments from London and New York. "There are going to be huge amounts of debt defaults that are even more global than last time around," Kim predicts. "Unlike 2007, when you had the undisputed key financial markets of New York and London being the center of the world, this time around, the main litigation will involve parties that have nothing to do with the U.S."

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