
ZATARRA

RESEARCH & INVESTIGATIONS

www.zatarraresearch.com

We have specifically removed items on page 13 and page 57 that we have been made aware of the inaccurate translations on.

By downloading this document, you explicitly agree to the terms of this disclaimer including the risk of financial losses, fraud and misrepresentation.

In no event or form is Zatarra, its officers, members, representatives, authors, investigators, backers, supporters, advisors, clients, suppliers or financial entities associated with them (henceforth collectively known as 'Zatarra') responsible for any direct or indirect trading or investing losses caused by any information contained within this document.

Furthermore, you agree to undertake and will, undertake your own research and due diligence before making any investment or trading decision with respect to the securities mentioned herein. If you suffer consequential losses because your advisors have selected Securities, which, are impacted by the contents of this report, you should consider the quality or otherwise of their research and due diligence.

You should assume irrespective of position, that as of the date of this note Zatarra has positions (whether they be in stock, contracts for differences, total return swaps, options, futures or other synthetic instruments or otherwise) that will benefit from a move in the price of the stock(s) covered or mentioned within this report. We DO NOT undertake nor accept any responsibility, obligation, or duty to inform, notify, publicly state or otherwise highlight such changes to any positions Zatarra may hold.

None of the materials in this document should be considered an offer to sell or a solicitation of an offer to buy any security nor do we intend to make any such an offer.

Zatarra has used sources herein, which, it considers reliable and accurate and from public sources that are accessible to the wider markets. Where possible we state the source of each item of information. However, we make no representation either expressed or implied as to the accuracy, reliability, timeliness or completeness of the aforementioned sources nor of our interpretation, analysis, explanation or conclusions of the information. We may elect to update, respond or reply to any such comments but give no undertaking whether implied or otherwise to provide additional information.

You should also be aware that we have NOT necessarily included all the information we have found on the company or companies covered by this report.

Should you be motivated to undertake a transaction after reading this report you should seek the advice of appropriate qualified and experienced securities professionals.

Any conclusions contained herein are the opinion of Zatarra and are based on interpretation.



ZATARRA

RESEARCH & INVESTIGATIONS

Wirecard AG (WDI GR)

Wide scale corruption and corporate fraud: €0.00 per Share

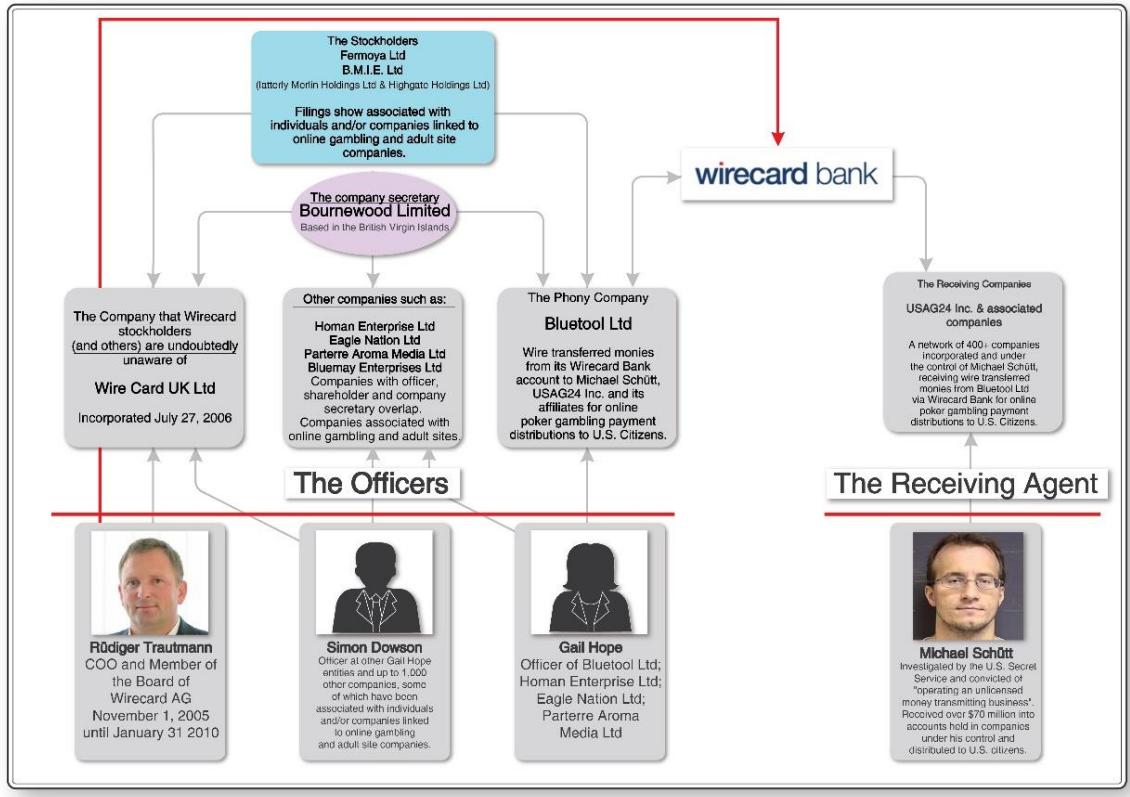


Figure 1 The 'Trautmann set-up'

Wirecard Statement – What Investors were told.	The Facts – What the evidence reveals.
<p>"On account of the criminal investigation initiated against a private individual [Schütt] in the U.S., untrue and wholly unfounded allegations are being spread concerning the business practices at Wirecard Group. The private individual mentioned in the article was not and is not associated in any manner whatsoever with the Wirecard Group.</p> <p>Wirecard AG unequivocally and sharply repudiates any allegations giving rise to a suspicion of money laundering.</p> <p>Moreover, Wirecard AG commissioned an international law firm of note to safeguard its interests by taking legal action against the Internet portal concerned and possibly other persons involved."</p> <p>Wirecard press release March 30, 2010</p>	<ul style="list-style-type: none"> Wirecard's COO incorporated an undisclosed UK company that had stockholder, officer, and company secretary overlap to the UK Company, wiring the online gambling related monies via Wirecard Bank into the United States. Wirecard's "consultant" and former Chairman of the Board controlled an additional company that transferred monies to Schütt and his associated companies in Florida. Wirecard's payment services JV partner, EZV, shares the same German address as the Florida based receiving company. Wirecard Payment Solutions' former CEO is awaiting prosecution by the Israeli Judiciary for money laundering, undertaken <i>during office</i> with Wirecard.

Wirecard AG

Ticker: WDI GR

Exchange: Xetra

Price Target: €0/share

Share Price: €42.68

Market Cap: € 5.273B

52-week high: €48.96

52-week low: €32.25

Shares count: 123.6M

P/E: 39.53

EV/EBITDA: 19.89

Summary of Findings

- Evidence shows that Wirecard Senior Officers and Board Members committed money laundering and facilitated the evasion of U.S. restrictions on internet gambling. This activity has continued since “Black Friday” in 2011¹.
- In addition to breaking U.S. laws, Wirecard, its Officers and affiliates have been defrauding Visa and MasterCard.
- We believe the repercussions of Wirecard’s unlawful activities will result in sanctions by the U.S. authorities, European regulators and credit card companies, which will all receive a copy of this report.
- The conduct of Wirecard’s Senior Officers, their criminal actions and the Executive Board’s gross negligence leaves equity holders with worthless paper.

Executive Summary

Wirecard’s management deceived the U.S. authorities and shareholders when it unequivocally repudiated the allegations that gave rise to a suspicion of money laundering².

Wirecard’s former COO, Rüdiger Trautmann, incorporated numerous undisclosed companies whilst at Wirecard, one of which was associated with the companies and individuals that breached the U.S. Wire Act and laundered money.

Wirecard’s “consultant” and former Chairman of the Board, Jochen Hochrein, controlled an additional company that transferred monies to the same companies and individuals that breached the U.S. Wire Act and laundered money.

Wirecard’s subsidiary, Wirecard Payment Solutions, former CEO, Dietmar Knöchelmann, is awaiting prosecution by the Israeli judiciary for money laundering and corporate fraud, committed during the period *whilst CEO* of Wirecard Payment Solutions³.

Significant and new evidence shows Wirecard’s involvement in violating U.S. restrictions on internet gambling contrary to its denial of its involvement in an investigation in 2010. Wirecard is at serious risk of prosecution and sanction by the U.S. authorities. The Department of Justice Statute of Limitations for these crimes extends to ten years⁴. Further, evidence shows that Wirecard continues to facilitate the evasion of U.S. restrictions on internet gambling.

The implications of using fraudulent methods to process payments and evade U.S. restrictions on internet gambling has previously resulted in fines and return of capital totaling \$731 million (PokerStars), where settlement was reached in response to civil charges brought by the U.S. Government⁵.

¹ The date on which the United States brought its federal criminal case against the founders of the major online poker companies is commonly referred to by the online poker community as “Black Friday”

² [Wirecard AG repudiates false allegations - March 30, 2010](#)

³ [Prosecutors may indict credit card issuer Cal, six people for fraud](#)

⁴ [Criminal Resource Manual - 968. Defenses—Statute of Limitations - Offices of the United States Attorneys \(18 U.S.C. § 3293\).](#)

⁵ [Manhattan U.S. Attorney Announces \\$731 Million Settlement of Money Laundering and Forfeiture Complaint with PokerStars and Full Tilt Poker](#)

Evidence suggests CEO, Markus Braun and CFO, Burkhard Ley, were aware and complicit in Trautmann and Knöchelmann's schemes.

Evidence suggests that while Trautmann and Knöchelmann have 'officially' left Wirecard, unofficially they remain interlinked with Wirecard's activities.

Wirecard's Asia Pacific business practices resemble the criminal conduct described above.

It is widely known that Wirecard's revenues rely on significant 'high risk' transaction volumes. However, evidence demonstrates that Wirecard's Asia Pacific operation is undertaking a deliberate and premeditated scheme to defraud Visa and MasterCard. Wirecard obfuscate payment jurisdiction and associated merchant risk, to circumvent high risk categorization and authentication requirements within the Visa and MasterCard network.

Asia Pacific merchant customers of Wirecard are presented with the ability to create 'mirror' companies in the United Kingdom, Switzerland and Lichtenstein^{6,7} - creating an inaccurate level of country and merchant risk. This restricts a regulator's ability to monitor the real origin, source and nature of payment transactions. The essence of 'Know Your Client' and all elements of merchant compliance appear to be ignored to enable Wirecard to imply or fabricate growth.

Incredibly, we discovered that Wirecard has hosted adult content related domains on its servers, whilst its Asia Pacific Risk and Compliance Officer, Arnold Marcellana, registered poker domains to his name.

Evidence shows that a number of affiliated payment service companies have been created by Wirecard employees. Examples, being www.uni-channel.com, www.paylockglobal.com. We believe this pattern is occurring in order to maintain the growth elements of the company that would not otherwise be achieved.

We believe that by Wirecard defrauding Visa and MasterCard, it will result in the termination of Wirecard's membership agreements with Visa and MasterCard.

Wirecard has consistently acquired businesses for significantly greater than apparent value. These have been purchased from former employees and other individuals that have questionable resumes, including full censures for fraud, allegations of fraud, and ties to money laundering.

The previous owners of Wirecard UK & Ireland, Dietmar Knöchelmann and John Carbone, have ties to online gambling and were involved in disputes where assets were obtained through "...deceit, fraud, misrepresentation and duress^{8,9}".

Evidence reveals Wirecard purchased Krores, a prepaid card issuer, from Dietmar Knöchelmann and Rüdiger Trautmann, the former CEO of Wirecard Payment Solutions and COO of Wirecard AG, respectively. This indicates that Wirecard's CEO, Markus Braun, and CFO, Burkhard Ley, were fully aware of Knöchelmann and Trautmann's undisclosed network of companies as Krores is included in this network.

We believe that former and current employees have benefited from other such acquisitions where there is little or no value in the acquired business.

⁶ [Uni-Channel.com via Wayback Machine](#)

⁷ [Paylockglobal.com via Wayback Machine](#)

⁸ [Online gambling company accuses Toronto businessmen of crime](#)

⁹ [Threats, pressure used to take over BingoWorkz](#)

Wirecard acquired Asia Pacific E-Serv Corporation where Esther Magleo was a founder, and implicated in customs fraud in the late 2000s, whilst continuing in employment as CFO of Wirecard Asia Pacific^{10,11,12}.

The real founder and likely underlying selling shareholder of Wirecard's recent €340 million¹³ acquisition, GI Retail, is Usman Fayaz. Fayaz has recently been censured by the Securities and Exchange Board of India (SEBI) for corporate fraud. Fayaz and the disclosed sellers, Ramu and Palaniyapan Ramasamy, directly reported to an individual¹⁴ prosecuted in India for money laundering and running lottery scams. The logic of this acquisition, the activities of the acquired operations and its purchase price raise significant concerns.

Due to significant risk of prosecution from U.S. authorities, fines, regulatory involvement and for termination of membership agreements with Visa and MasterCard, we see no value left in Wirecard's equity.

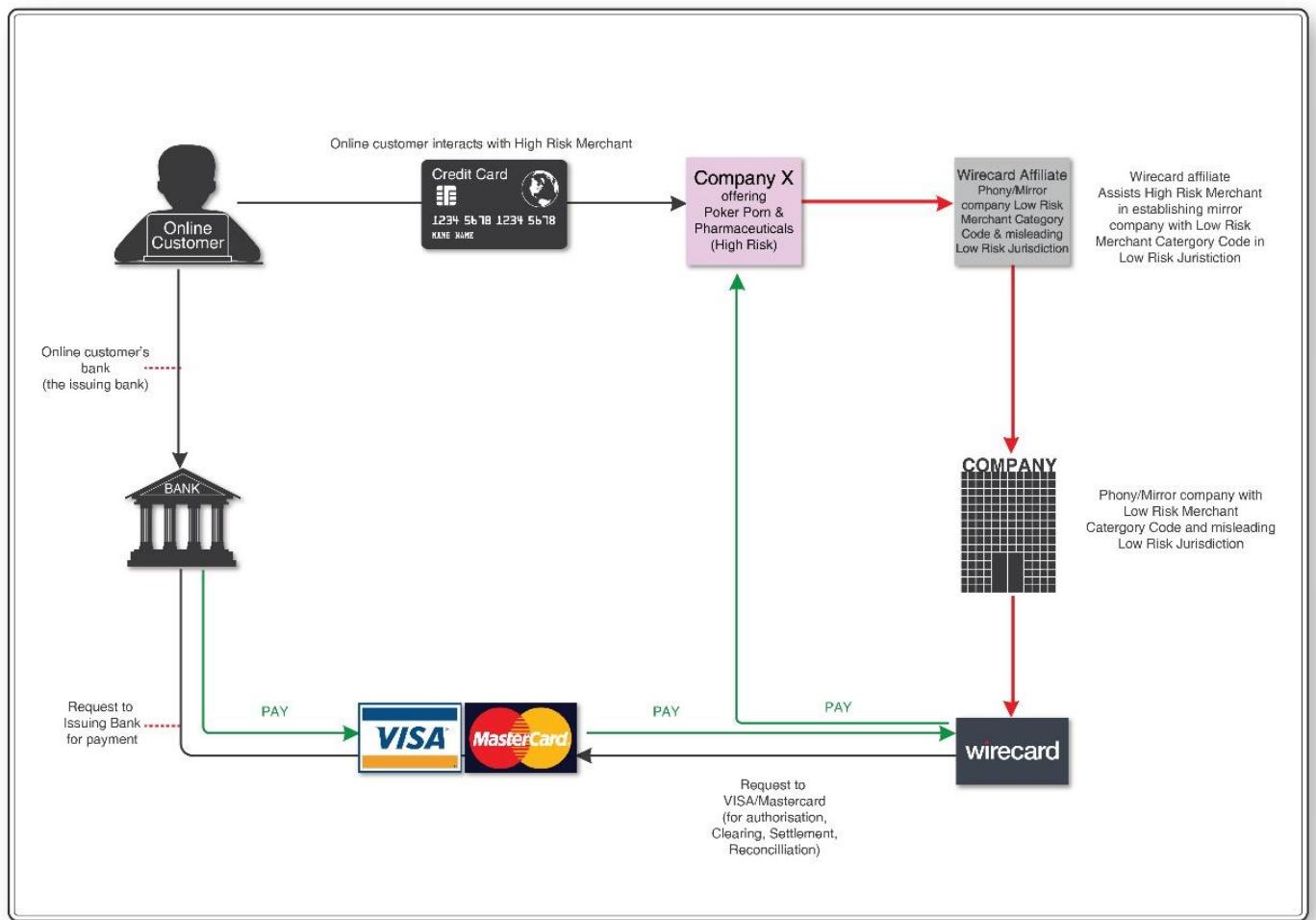


Figure 2 Wirecard's business model relates to fraudulent activities - to enable high risk transactions, it must obscure merchant category codes and misrepresentation of jurisdictional information risks. This is contrary to Visa and MasterCard's rules of Knowing Your Client / Merchant and the regulatory requirements.

¹⁰ [Cases filed vs oil firms, individuals](#)

¹¹ [PASG implicates De Venecia in oil smuggling](#)

¹² [Paynamic meet the team](#)

¹³ The consideration is €230 million in cash plus earn-outs of €110 million linked to 'the overall financial performance of the acquired businesses in calendar years 2015 to 2017.'

¹⁴ [Santiago Martin is so infamous in India, that he is widely known as the "Lottery Scam Kingpin". It is doubtful that Wirecard is unaware of this.](#)

140	Zatarra Research & Investigations	5
	Links to money laundering	9
	Did Rüdiger Trautmann and Dietmar Knöchelmann really leave Wirecard?	15
	Violating the Wire Act	22
	Wirecard and further links to US AG 24 Inc.	30
	The payment links	33
	Evidence suggesting Wirecard <i>is still</i> facilitating online gambling by U.S. citizens	40
	The ‘Full Tilt Conspiracy’	47
	Inatec and its connection to the Full Tilt Poker Conspiracy	50
	The Current (and ex) CFO Club	59
150	Wirecard Asia Pacific – we see no value for shareholders	65
	Is Wirecard in breach of Visa Europe Operating Regulations?	66
	Wirecard appears to be in breach of Visa Europe Operating Regulations	72
	The Farcical Compliance of Wirecard AP	74
	Further links to poker and hosting pornographic domains on the Wirecard Nameserver	80
	The Acquisition of GI Retail	88
	Accusations of money laundering	91
	GI Retail founder’s fraud	92
	Money on Mobile	94
	Evidence of a lack of due diligence by Wirecard	95
160		

Please note that there is an appendix of supplementary materials accompanying this note. This information is only being provided to the appropriate authorities and is not being publicly distributed.

You should assume that some or all of the following agencies (and others (not disclosed)) have received copies of all or part of this document:

1. UNITED STATES SECRET SERVICE – SOUTH WEST FLORIDA FINANCIAL CRIMES STRIKE FORCE (SWFFCSF)
2. UNITED STATES FEDERAL BUREAU OF INVESTIGATION (FBI)
3. UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF NEW YORK
4. DISTRICT ATTORNEY's OFFICE, MIDDLE DISTRICT OF FLORIDA, FORT MYERS
5. UNITED STATES ATTORNEY FOR MARYLAND
6. DEPARTMENT OF HOMELAND SECURITY – TERRORIST AND ILLICIT FINANCE UNIT
7. BUNDESANSTALT FÜR FINANZDIENSTLEISTUNGSaufSICHT (FEDERAL FINANCIAL SUPERVISORY AUTHORITY) (BaFIN)
8. ATTORNEY GENERAL OF ISRAEL – ECONOMICS DEPARTMENT
9. LAHAV 433
10. FINANCIAL CONDUCT AUTHORITY – WHISTLEBLOWER SECTION
11. METROPOLITAN POLICE – CITY OF LONDON UNIT
12. VISA INC – BUSINESS CONDUCT OFFICE
13. VISA EUROPE – CHIEF OFFICER, RISK AND COMPLIANCE
14. MASTERCARD INC – OFFICE OF THE GENERAL COUNSEL
15. RESERVE BANK OF INDIA – WHISTLEBLOWER SECTION
16. YES BANK – WHISTLEBLOWER UNIT
17. CRIMINAL BUREAU OF INVESTIGATION (CBI) OF INDIA
18. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)
19. UK INSOLVENCY SERVICE
20. UK SECRETARY OF STATE FOR BUSINESS INNOVATION AND SKILLS

170

180

190

Zatarra is a private organization formed to undertake research and investigations into companies.

We wish to express our gratitude to members of our team who have assisted in our investigations around the world.

The content of this report is entirely on publicly available documents, albeit some have been difficult to obtain.

We appreciate that brevity is a virtue. We have hence provided a summary at the beginning; however, we then provide details with references to evidence our research.

Zatarra, our associates, partners etc., are positioned to benefit from the evidence and statements in this report. Before dismissing this report, any analyst or investor should consider the very publically available information that disproves Wirecard AG assertions of innocence. Specifically, if Wirecard employees have allegedly defrauded VISA Inc. and MasterCard Inc., helped orchestrate the violation of the U.S. Wire Act, and disregard standard levels of decency, it is doubtful much concern will have been directed to the interests of Wirecard's shareholders.

The ultimate arbiter of whether this evidence is of any significance will be the markets, regulators and any class action case that may be brought against Wirecard and its owners.

YOU SHOULD BE AWARE THAT FURTHER EVIDENCE HAS NOT BEEN MADE PUBLICALLY AVAILABLE BUT SUBMITTED TO CERTAIN AUTHORITIES AND AGENCIES.

210



February 24, 2016

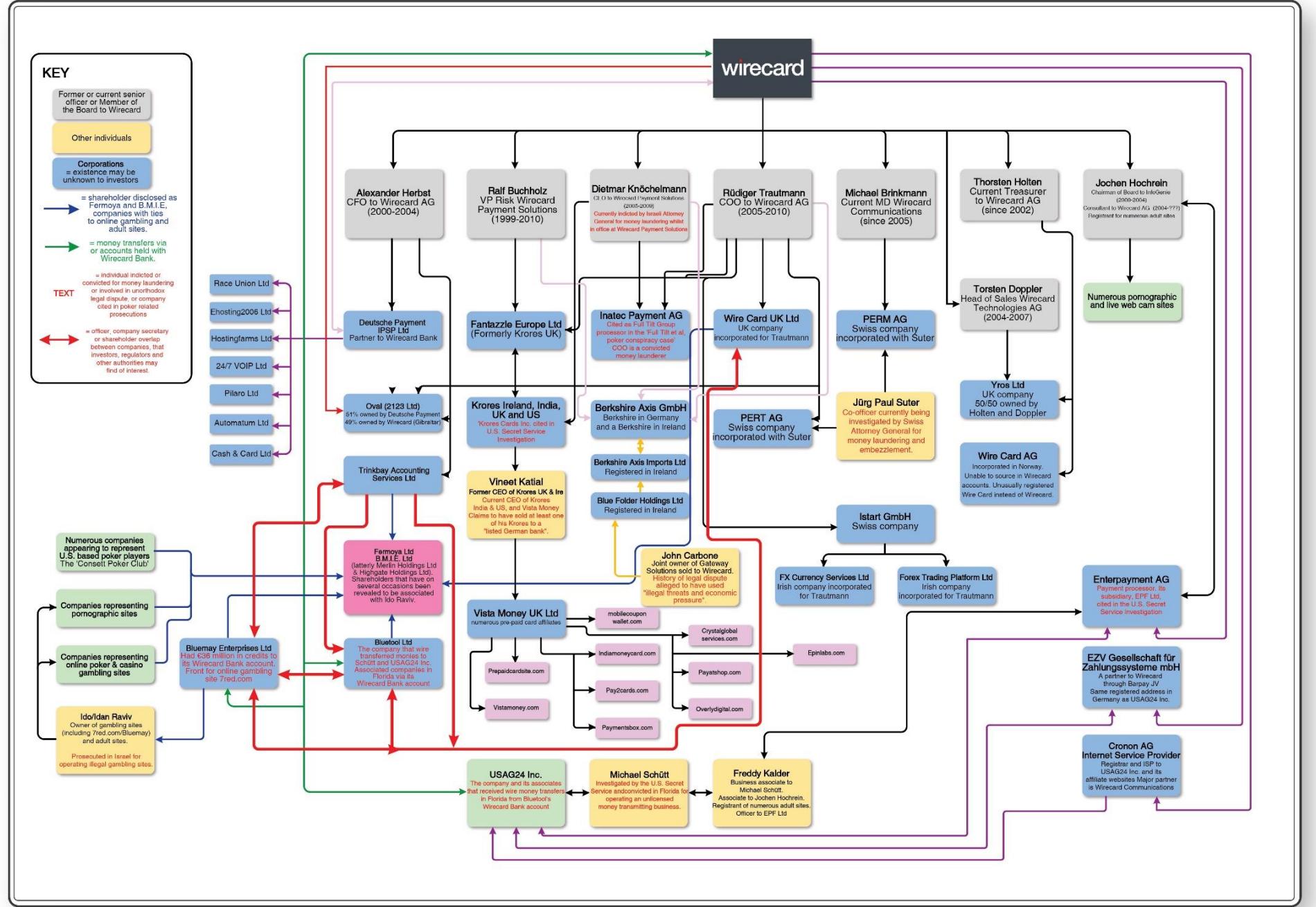


Figure 3 A chart of Wirecard's interconnections.

wirecard

TM

Wirecard offers internet payment and processing services. It was established in 1999. From January 1, 2006 Wirecard Bank AG has been part of the Wirecard Group and holds a full banking license in Germany.

Wirecard has so far been highly acquisitive, engaging in numerous acquisitions since its formation. The most recent of which have been GI Retail (November 2015) and Moip Pagamentos S.A. (MOIP).

Wirecard reported total transaction volume of €34.3 Billion, revenue of €601 Million and EBITDA of €172.9 Million in 2014¹⁵. We believe these revenues and shareholders' capital is at risk.

240

Transaction volumes 2014

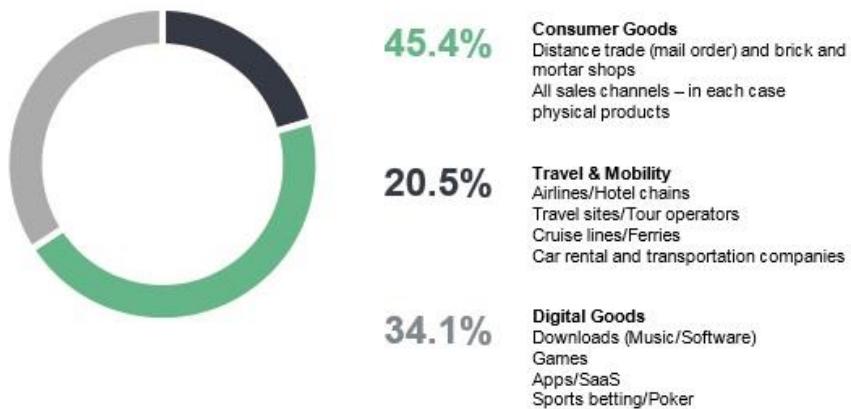


Figure 4 Wirecard Transaction volumes: Source 2014 annual report

¹⁵ [Wirecard annual report 2014](#)

Links to Money Laundering

Wirecard's former COO, Rüdiger Trautmann, incorporated numerous undisclosed companies whilst at Wirecard, one of which was associated with companies and individuals that breached the U.S. Wire Act. Wirecard unequivocally repudiated the allegations that gave rise to a suspicion of money laundering¹⁶.

Rüdiger Trautmann

Trautmann became Wirecard's Chief Operating Officer and member of the Board of Management on November 1, 2005¹⁷.

Wire Card UK Ltd

There is no public disclosure showing Wire Card UK Ltd as a subsidiary of Wirecard AG. Evidence suggests it was an undisclosed company, and its existence will be surprising to shareholders, regulators and the U.S. Secret Service. Wirecard's former Chief Sales Officer and COO, Rüdiger Trautmann, incorporated Wire Card UK Ltd on July 27, 2006.

260

Wire Card UK was an undisclosed 'off the books' company.



Rüdiger Trautmann,
COO (Sales & Marketing)

Dr. Markus Braun,
CEO (IT)

Burkhard Ley,
CFO (Finance)

Figure 5 L-R: Rüdiger Trautmann, officer to an undisclosed UK registered Wire Card UK Ltd and Wirecard's Chief Sales Officer and COO, from 2005 until January 2010, Markus Braun (current CEO), Burkhard Ley (current CFO).

Wire Card UK Ltd¹⁸ was registered to an address in County Durham. Its corporate ownership and control was as follows¹⁹:

- **Shareholders:** Fermoya Ltd and BMIE Ltd.
- **Officers:**
 - **Rüdiger Trautmann**, registered to an address in Kronberg, Germany, became an officer to Wire Card UK on the day of its incorporation and remained its sole officer until Simon Dowson's appointment.

270

¹⁶ [Wirecard AG repudiates false allegations - March 30, 2010](#)

¹⁷ [Wire Card AG appoints Mr Rüdiger Trautmann October 27, 2005](#)

¹⁸ [Companies House - Wire Card UK Ltd \("Wire Card UK"\) Company number 05888415 was incorporated July 27, 2006, registered to an address in County Durham.](#)

¹⁹ [Companies House - Wire Card UK Officers](#)

- **Gavin Taylor**, registered to an address in County Durham, appears to have set Wire Card UK up on July 27, 2006 - he resigned the same day.
- **Simon Dowson**, appointed on March 1, 2010; he was also an officer of hundreds of other companies registered to addresses in County Durham.
- **Company Secretary: Bournewood Limited** a BVI registered entity. Also company secretary to numerous other gaming related companies registered to addresses in County Durham. This included Bluetool Limited that wired unlawful gambling related monies to a German national, Michael Schütt into the U.S.

Examples of further undisclosed companies and relationships

280

- **PERT AG**^{20,21}, incorporated July 20, 2007 in Switzerland by Trautmann with fellow officer, Jürg Paul Suter, the latter an individual at the center of an ongoing money laundering and embezzlement case in Switzerland.

Handelsregister Registre du commerce Registro di commercio **No 143 Donnerstag, 26.07.2007 125. Jahrgang**

■ **P.E.R.T. AG**, in Engelberg, CH-140.3.003.066-6, Hinterdorf 1, 6390 Engelberg, Aktiengesellschaft (Neueintragung). Statutendatum: 19. 07. 2007. Zweck: Sales und Marketingberatung, Management-Consulting, Merge- und Acquisitionsconsulting. Die Gesellschaft kann Zweigniederlassungen errichten, sich an anderen Unternehmungen beteiligen sowie Grundstücke erwerben, verwalten und veräußern. Aktienkapital: CHF 100'000.-. Liberalisierung Aktienkapital: CHF 100'000.-. Aktien: 1'000 Inhaberaktien zu CHF 100.-. Publikationsorgan: SHAB. Mitteilungen an die Aktionäre erfolgen durch eingeschriebene Briefe, per Telefax oder e-mail, oder Zustellung gegen Empfangsbestätigung, soweit deren Adressen bekannt sind, andernfalls durch Publikation im SHAB. Eingetragene Personen: Suter, Jürg Paul, von Wil AG, in Münchwilen AG, einziges Mitglied, mit Einzelunterschrift; Trautmann, Rüdiger, deutscher Staatsangehöriger, in Kronberg im Taunus (DE), mit Einzelunterschrift; RB Treuhand, R. Born & Co, in Basel, Revisionsstelle.
Tagebuch Nr. 727 vom 20.07.2007
(04043156 / CH-140.3.003.066-6)

Figure 6 Incorporation of Swiss based company, PERT AG, by Jürg Paul Suter and Rüdiger Trautmann

Parteimitteilung gemäss Art. 318 Abs. 1 StPO **an die Privatklägerschaften**

Die Bundesanwaltschaft erlässt in der Strafuntersuchung gegen Dieter Behring, Peter Weibel, Beat Bangerter, Jean Kämpf, Arthur Buck, Willy Wüthrich, Anita Zweifel, Jürg Paul Suter, Rudolf Meroni, Reinhard Carl Mannesmann wegen gewerbsmässigen Betrugs eventuell Veruntreuung etc. gestützt auf Artikel 318 Absatz 1 StPO folgende Mitteilung an die Privatkläger:

Figure 7 Swiss Federal Public Prosecution case against individuals including Jürg Paul Suter, involving money laundering, illegal cross border transactions, embezzlement and commercial fraud

- Istart GmbH, another Swiss company incorporated on December 5, 2008. Evidence shows that Istart owned Trautmann's following Irish companies.
- FX Currency Services²², an Irish company incorporated September 2, 2009.
- Forex Trading Platform Limited, an Irish company incorporated December 2009.
- Roteral Limited, an Irish company incorporated January 28, 2010.

²⁰ [Pert AG Company information - Company Number: CH-140.3.003.066-6](#)

²¹ As far as we can ascertain, neither of Trautmann's nor Brinkmann's involvement with these companies has ever been publicly disclosed.

²² [Companies Registrations Office \(CRO\) - search term: FX Currency Services Limited Company No: 474963](#)

Wirecard Technologies CURRENT Managing Director, Michael Brinkmann incorporated two Swiss companies with Suter, who is central to an ongoing investigation²³. This includes aiding and abetting multiple instances of money laundering, illegal cross border transactions, embezzlement and commercial fraud.

300 The Irish companies were registered to the same address as Wirecard UK & Ireland: Ulysses House, Foley Street, Dublin, Ireland²⁴.

Andy Quinn (“Quinn”) was a fellow officer of both Trautmann’s companies, FX Currency and Forex Trading. Between June 30, 2006 and January 29, 2010, Quinn was also an officer to Wirecard UK and Ireland Limited, and Wirecard Payment Solutions Holdings Limited²⁵.

Michael Brinkmann (“Brinkmann”)

Brinkmann^{26,27} Wirecard Technologies current Managing Director and long term associate of Trautmann²⁸, controlled a Swiss company, PERM AG²⁹; incorporated on October 25, 2007. This was also incorporated with the help of Jürg Paul Suter, an indicted money launderer.



Michael Brinkmann

Prokurist | Executive Vice President Corporate Marketing & Partner Management
Munich Area, Germany | Financial Services

Current	Wirecard Technologies GmbH
Previous	Pago eTransaction Services GmbH, BBDO Interactive, KPMG Deutsche Treuhand
Education	Alliant International University

Send Michael InMail

500+ connections

☆
Contact Info
In <https://de.linkedin.com/in/mbrinkmann>

310 *Figure 8 Michael Brinkmann, current Managing Director to Wirecard Communications, and officer to Swiss based company, PERM AG*

Are Wirecard’s shareholders, and regulators & criminal investigators expected to believe that Wirecard’s CEO, Markus Braun, and CFO, Burkhard Ley, knew nothing of Trautmann and Brinkmann’s ties to a Swiss money launderer?

²³ [Swiss Federal Council - Portal of the Swiss Government Document \(PDF\)](#)

²⁴ [In some cases in the text the registered address of a company is the 3rd floor of Ulysses House whilst in other cases the floor is not clear from the registered filings; Wirecard UK & Ireland is registered to the 1st floor – however as will be seen Wirecard has connections to the 3rd floor via Andy Quinn.](#)

²⁵ [Officers of Wirecard UK And Ireland Limited via Company Check](#)

²⁶ [Michael Brinkmann LinkedIn Profile](#)

²⁷ Note that Michael Brinkmann was an employee of Wirecard (joined Feb 2006 according to his LinkedIn profile) when he was appointed an officer of PERM AG.

²⁸ Brinkmann and Trautmann go back a long way. While Brinkmann joined Wirecard in 2006 (shortly after Trautmann in late 2005), prior to this he was Trautmann’s “Executive assistant of the CEO [Trautmann]/Manager Strategic Partnerships” at Pago eTransaction Service GmbH.

²⁹ [Perm AG Company information - Company Number CH-140.3.003.110-2](#)

Dietmar Knöchelmann

Wirecard's subsidiary, Wirecard Payment Solutions, former CEO, Dietmar Knöchelmann, is awaiting prosecution by the Israeli judiciary for money laundering and corporate fraud, committed during the period *whilst CEO of Wirecard Payment Solutions*³⁰. These charges include defrauding Visa and MasterCard and are in the process of being finalized.

- Knöchelmann: former CEO to Wirecard Payment Solutions from 2006 to 2009.
- The Israeli Attorney General has recently indicted him for money laundering and corporate fraud, principally related to online gambling, *during the period he was CEO of Wirecard Payment Solutions*.
- These charges include defrauding Visa and MasterCard.
- Prior to becoming Wirecard Payment Solutions' CEO, he was alleged to have used "*illegal threats and economic pressure*" to gain control of a gaming company.
- Evidence suggests that Knöchelmann is still very much involved with Wirecard's operations.

Are Wirecard's shareholders, and regulators & criminal investigators expected to believe that Wirecard's CEO, Markus Braun, and CFO, Burkhard Ley, knew nothing of Knöchelmann's money laundering whilst CEO of Wirecard Payment Solutions?

Was Knöchelmann really allowed to create his own payment service company while at Wirecard? Or was this just a way to distance the activities from Wirecard?

The Money Laundering and Corporate Fraud

In April 2015, the Attorney General of Israel alleged Knöchelmann as being amongst a group of individuals who are³¹:

“... suspected of aggregated fraud, false entries in corporate documents, bribery and violations of the Prohibition on Money Laundering Law.”

According to various articles^{32,33,34} in the Israeli press, Israel's police unit, Lahav 433³⁵, believes that³⁶:

“The fraud and other violations occurred in two areas. In the first, between 2006 and 2009, Cal³⁷ and the six executives [which includes Knöchelmann] cited by prosecutors defrauded the international credit card issuers MasterCard and Visa by fraudulently offering credit card clearance services to online gambling businesses. Investigators

³⁰ [The prosecution of the suspects](#)

³¹ [Prosecutors may indict credit card issuer Cal, six people for fraud](#)

³² Ibid.

³³ [Where is NIS 200m from alleged ICC-Cal fraud?](#)

³⁴ [Celebration porn and gambling visa as a way to court](#)

³⁵ [Lahav 433 is an Israeli crime-fighting umbrella organization within the Israel Police: ‘The Israeli FBI’](#)

³⁶ [Prosecutors may indict credit card issuer Cal, six people for fraud](#)

³⁷ [Cal is an issuer of Visa and MasterCard credit cards in Israel](#)

340

say the business became so big that in 2008 the company formed a new unit Cal International^{38,39} to handle it.

"It is suspected that as of 2007 the two companies processed payments for gambling sites (including U.S. gamblers) by false coding, classifying them as supposedly legitimate business activities, approving business as customers without proper identification procedures and other fraudulent activities," the state prosecutor's economics division said."

According to an Israeli news service provider, Globes, Dietmar Knöchelmann was amongst six individuals cited in the Attorney General of Israel's indictment.⁴⁰ In Knöchelmann's case specifically⁴¹:

'The charges: money laundering and obtaining by fraud'

350 What is particularly interesting from this indictment is the timing of the alleged defrauding of Visa and MasterCard:

"... between 2006 and 2009⁴²"

Money Laundering whilst CEO of Wirecard Payment Solutions

Knöchelmann's LinkedIn profile⁴³ indicates his tenure as CEO of Wirecard Payment Solutions from January 2008 until December 2009.

The screenshot shows Dietmar Knöchelmann's LinkedIn profile. At the top, it says "Dietmar Knoechelmann". Below that, "Israel | Financial Services". Under "Background", there is a section titled "Experience" which lists two positions: "CEO" at "Wirecard Payment Solutions" from January 2008 – December 2009 (2 years), and "Director" at "G2Pay Ltd." from January 2002 – December 2008 (7 years). The profile has 21 connections.

Figure 9 From LinkedIn profile of Dietmar Knöchelmann, former CEO of Wirecard Payment Solutions and alleged to be involved in money laundering by the Attorney General of Israel

Knöchelmann is awaiting prosecution for these crimes

360

Not Knöchelmann's first indiscretion

Companies Register Office filings in Ireland show that Wirecard acquired the principal assets of what is now Wirecard Payment Solutions from Knöchelmann and John Carbone in 2007.

³⁸ [We note that Ayelet Ayizik Fruchtlander, who we believe to be Dietmar Knöchelmann wife, has been \(and to our knowledge still is\) a 'Director of Sales and Customer Relations' for Cal International since 2005](#)

³⁹ [Another of Ayelet Fruchtlander's \(Knöchelmann's\) LinkedIn profiles](#)

⁴⁰ [Attorney General considers prosecution of individuals suspected of bribery, fraud and money laundering](#)

⁴¹ <http://www.globes.co.il/news/article.aspx?did=1001029997> via Google translate

⁴² [Prosecutors may indict credit card issuer Cal, six people for fraud](#)

⁴³ [Dietmar Knöchelmann's LinkedIn profile](#)

In 2004, both were involved in a CAD \$25 million dispute, which centered on the ownership of a gaming site⁴⁴. Press reports at the time showed a dispute:

"... illegal threats and economic pressure to gain control of their [the plaintiffs against Carbone and Knöchelmann] BingoWorkz business and then unlawfully firing them one year later."^{45,46}

Trautmann's multiple undisclosed companies and ties to money launderers and Knöchelmann's money laundering, deceit and fraud raises questions and concerns:

We believe that Wirecard's CEO, Markus Braun, and CFO, Burkhard Ley:-

- Had knowledge that Trautmann incorporated undisclosed companies.
- Were aware that Knöchelmann was laundering money⁴⁷ whilst he was CEO of Wirecard Payment Solutions.

Evidence suggests that:

- Knöchelmann defrauded VISA and MasterCard whilst he was CEO of Wirecard Payment Solutions. The extent to which is likely to have serious implications on Wirecard's membership with Visa and MasterCard.

Pending investigation, Wirecard and ultimately its shareholders are likely to incur fines by regulators, authorities, VISA Europe and MasterCard Inc.

Immediately, these actions may jeopardize Wirecard's expected proceeds of €100 Million from the sale of Visa Europe to Visa Inc.⁴⁸

⁴⁴ [Morran v. Carbone, 2005 CanLII 2932](#)

⁴⁵ [Online gambling company accuses Toronto businessmen of crime](#)

⁴⁶ [Threats, pressure used to take over BingoWorkz](#)

⁴⁷ According to the Israeli Attorney General.

⁴⁸ [Wirecard AG: Expected proceeds of approximately EUR 100 million in total from sale of Visa Europe Limited to Visa Inc.](#)

Did Rüdiger Trautmann and Dietmar Knöchelmann really leave Wirecard?

Evidence suggests that while Trautmann and Knöchelmann have ‘officially’ left Wirecard, unofficially they remain interlinked with Wirecard’s activities.

Evidence includes:

- Trautmann ‘officially’ departed Wirecard on January 31, 2010 for ‘personal reasons’, just two weeks prior a U.S. Secret Service investigation that implicated Wirecard. However, Trautmann:
 - Continued to sign Wirecard subsidiary filings some ten months after he ‘officially’ left.
 - Signed company filings for companies registered to the same building as Wirecard UK & Ireland’s offices, some three years after he ‘officially’ left.
 - Became an officer to Krores, a prepaid card business, two months after he ‘officially’ left. Krores’ original co-founder claims to have “*sold Krores to a listed German bank*.” Krores is registered to the same building as Wirecard UK & Ireland.
 - Became an officer to two further companies, one as recently as August 2015, both registered to the same building as Wirecard UK & Ireland.
- Knöchelmann’s LinkedIn profile claims that he ‘officially’ departed Wirecard in December 2009. However, Knöchelmann:
 - Continues to sign filings for a number of companies registered to the same building as Wirecard UK & Ireland.
 - Has utilized the Wirecard UK & Ireland address in his filings for the Interactive Gaming Council in Canada⁴⁹.
 - Co-founded and owned the same prepaid card business, Krores, which Trautmann became an officer to and the founder claims was “*sold to a listed German bank*”.

Oval 2123

Oval 2123 Limited was incorporated (October 12, 2006) in the UK⁵⁰.

The directors for Oval 2123 included⁵¹:

380

- Rüdiger Trautmann
- Alexander Herbst – who left Wirecard in 2003 but was still actively involved in a Joint Venture with Wirecard (Gibraltar) Ltd, and has ties to the same shareholders to Trautmann’s undisclosed company, Wire Card UK Ltd.

⁴⁹ [Wirecard UK & Ireland address for Interactive Gaming Council filings in Canada](#)

⁵⁰ [Oval \(2123\) Limited – Companies House UK](#)

⁵¹ At the time Trautmann was COO of Wirecard, however, Herbst although a partner to Wirecard through the Deutsche Payment Group, was no longer an officer of Wirecard. Herbst was CFO at Wirecard until April 2003.

Oval 2123 was 49% owned by Wirecard (Gibraltar) Limited^{52,53}.

Despite Trautmann reportedly leaving Wirecard January 31, 2010, he continued to sign Wirecard's subsidiary filings for Oval 2123 filings until at least November 30, 2010⁵⁴.

1 Company details

Company number 0596146314

Company name in full Oval (2123) Limited

2 The application

Warning to all applicants
It is an offence to knowingly or recklessly provide false or misleading information on this application.

You are advised to read section 4 and to consult the guidance available from Companies House before completing this form. If in doubt, seek professional advice.

I/We as director(s)/the majority of directors apply for this company to be struck off the Register and declare that none of the circumstances described in section 1004 or 1005 of the Companies Act 2006 (being circumstances in which the directors would otherwise be prohibited under those sections from making an application) exists in relation to the company.

This form must be signed by the sole director if only 1, by both if there are 2, or by the majority if there are more than 2.

3 Signatures of the director(s)

Signature	Signature	X
Name	Alexander Herbst	
Date	3/6 11 2010	
Signature	Signature	X
Name	Rüdiger Trautmann	
Date	3/10 11 2010	

Further signatures
Please use the next page to enter further signatures.

CHFP010 (FF)
05/10 Version 4.0

390

Figure 10 Signature Page for striking off of Oval (2123) Limited

Despite Alexander Herbst having left Wirecard in April 2003⁵⁵, and Trautmann leaving in January 2010, both former Wirecard officers continued to provide a Wirecard address: Bretonischer Ring 4, D-85630 Grasbrunn, Germany, as their contact address on Oval 2123's filings⁵⁶. Herbst presumably had a separate office location considering that his company was the other 51% shareholder in Oval 2123.

Why was Trautmann still signing Wirecard related filings ten months after he 'officially' left the company?

Fantazzle Europe Limited

Two months after Trautmann's departure from Wirecard, he became an officer to a UK company, Fantazzle Europe Ltd ("Fantazzle"). Andy Quinn⁵⁷ (officer at the time to Wirecard in Ireland) and Barbara Kahan^{58,59,60} incorporated Fantazzle⁶¹ on August 20, 2009.

⁵² [Wirecard AG Accounts 2007](#)

⁵³ [Wirecard AG Accounts 2008](#)

⁵⁴ [Application to strike the company off the register - Companies House UK](#)

⁵⁵ [Alexander Herbst, Wirecard Retail Services GmbH \(April 2013\)](#)

⁵⁶ Ibid

⁵⁷ Andy Quinn was also an officer from June 30, 2006 to January 1, 2010 to Wirecard Payment Solutions Holdings Limited; registered to Ulysses House, Foley Street, Dublin, Ireland

⁵⁸ [Barbara Kahan from Finchley who becomes Mohamed Javed Akhtar in the next tier of the PONZI/SHELL Company by Professor George Lees](#)

⁵⁹ [Sham directors, dirty money and the British Virgin Islands connection - The Coleman Experience](#)

⁶⁰ [Congress investigating British companies but not our own government – why?](#)

⁶¹ [Fantazzle Europe Limited \(06996925\) - Companies House UK](#)

Fantazzle was originally registered as Krores UK Limited⁶² ("Krores UK"). Its name changed to Fantazzle on April 23, 2010, a few days prior to the appointment of Rüdiger Trautmann and Ralf Buchholz (another Wirecard former employee) as officers. Vineet Katial⁶³ ("Katial"), co-founded Krores Limited in Ireland in June 2007, and several other Krores entities.

- 'Krores Limited'⁶⁴ incorporated in Ireland, September 12, 2007: ("Krores Ireland").
- 'Krores Cards Private Ltd' incorporated in India, December 20, 2007: ("Krores India").
- 'Krores LLC' incorporated in Michigan, U.S., December 6, 2007, ("Krores U.S.").

Type	Single member private company limited by shares
Number	446074
Name	KRORES LIMITED
Address	ULYSSES HOUSE FOLEY STREET DUBLIN 1 D01W2T2
Registered	12/09/2007
Status	Dissolved Effective Date 14/01/2015

Nature of business (SIC)
To be provided on next annual return.

Name	Period
KRORES UK LIMITED	20 Aug 2009 - 23 Apr 2010

410

Figure 11 Kores Limited incorporated in Ireland September 2007 and UK August 2009

Michigan Department of Labor & Economic Growth
BUREAU OF COMMERCIAL SERVICES

For use by Domestic Limited Liability Companies
(Please read instructions and instructions before proceeding)

ARTICLES OF ORGANIZATION
For use by Domestic Limited Liability Companies
(Please read instructions and instructions before proceeding)

ARTICLE I
The name of the limited liability company is: Kores, LLC

ARTICLE II
The purpose or purposes for which the limited liability company is formed is to engage in any activity within the purpose for which a limited liability company may be formed under the Limited Liability Company Act of Michigan.

ARTICLE III
The duration of the limited liability company if other than perpetual is: N/A

ARTICLE IV
1. The street address of the location of the registered office is: 1859 CYPRESS POINTE COURT, ANN ARBOR, MI 48108
2. The mailing address of the registered office if different than above: 1859 CYPRESS POINTE COURT, ANN ARBOR, MI 48108
3. The name of the resident agent of the registered office is: VINEET KATIAL

ARTICLE V (Insert any desired additional provision authorized by the Act; attach additional pages if needed.)

Signed this 06 day of DECEMBER 2007
By: VINEET KATIAL
(Signature in Capital Letters)

Ministry of Corporate Affairs
Government of India

Home Services Legislation Information Help

Company Master Details

CIN	: U74140DL2007PTC171742
Company Name	: KRORES CARDS PRIVATE LIMITED
ROC Code	: (Rc-Delhi)
Registration Number	: 171742
Company Category	: Company limited by shares
Company Subcategory	: Indian Non-Government Company
Class of Company	: Public
Authorised Capital(in Rs.)	: 200,000.00
Paid up capital(in Rs.)	: 100,000.00
Number of Members/Applicable only in case of company without Share Capital)	: 0
Date of Incorporation	: 20/12/2007 (dd/mm/yyyy)
Address 1	: A-40B
Address 2	: MUNIRKA DDA FLAT
City	: NEW DELHI
State	: Delhi
Country	: INDIA
Pin	: 110057
Email Id	: VINEETK@KRORES.COM
Whether listed or not	: Listed
Date of Last AGM	: 30/09/2014 (dd/mm/yyyy)
Date of Balance sheet	: 31/03/2014 (dd/mm/yyyy)
Company Status (for eFiling)	: Active
Charges Registered	
Signatories of the Company	

Signatory Details

SNo	Director Name	DIN	Address	Designation	Date Of Appointment	Whether Accused
1	VINEET KATIAL	01845069	1859 CYPRESS POINTE CT, ANN ARBOR, MI 481088543, UNITED STATES OF AMERICA	Director	20/12/2007	
2	MAN MOHAN KATIAL	01927179	A-40 B, MUNIRKA DDA FLATS, NEW DELHI, 110057, Delhi, INDIA	Director	20/12/2007	

Figure 12 Kores LLC incorporated in United States, and Kores Cards Private Limited in India. Source: Michigan Department of Labor and Economic Growth, Ministry of Corporate Affairs

⁶² Krores UK Limited now Fantazzle Europe Limited (06996925) - Companies House UK - Filing History

⁶³ Vineet Katial LinkedIn Profile

⁶⁴ Companies Registrations Office (CRO) - search term: Krores Limited Company No: 446074

According to Katial⁶⁵, Krores is a prepaid card company focused on emerging markets.

Vineet Katial
Founding Member and Steering Council - at Detroit TIE Angels
Greater Detroit Area | Information Technology and Services

Current: VistaMoney, Detroit TIE Angels, Sky7 Ventures
Previous: CustomerAsset now FirstSource Solutions, TeleTech, BearingPoint
Education: University of Colorado Denver

Send Vineet InMail

500+
connections

<https://www.linkedin.com/in/vineetkatial>

Contact Info

CEO and MD
Krores
June 2007 – Present (8 years 7 months)

Krores is a pioneer in Prepaid financial products focused on Emerging Markets. Its mission is to provide benefits of a credit and debit cards in a prepaid platform to emerging economies. It team is focused on providing financial products that enable the mass and middle class markets in reaping the benefits of technology driven society.

Figure 13 Vineet Katial LinkedIn profile⁶⁶

Krores and Wirecard are intimately linked

Trautmann and Knöchelmann were closely involved with Katial and Krores since first incorporation in 2007.

420

Which “listed German bank” bought Krores?

We believe it to be Wirecard.

Who sold it?

Evidence suggests it was Knöchelmann.

Was this after or before Trautmann joined?

Evidence suggests after.

Evidence reveals that:

1. Krores Ireland had Wirecard UK and Ireland’s address since 2007⁶⁷.
2. Trautmann was a director of Krores UK Limited.
3. Dietmar Knöchelmann, Wirecard Payment Solutions’ CEO, was simultaneously an officer to Krores Ireland as well as a co-shareholder alongside Katial.
4. Andy Quinn, was an officer to both Wirecard Payment Solutions (June 30, 2006 to January 1, 2010) and Krores Ireland.
5. According to Katial’s⁶⁸ LinkedIn profile:

“Prior to forming Vista Money he was the CEO of Krores, which was sold to a listed German Bank.”

⁶⁵ [Vineet Katial - Chairman & MD Krores YouTube Video courtesy of TiEcon Midwest 2009](#)

⁶⁶ [Vineet Katial LinkedIn Profile](#)

⁶⁷ See following paragraphs for evidence

⁶⁸ [Vineet Katial LinkedIn Profile](#)

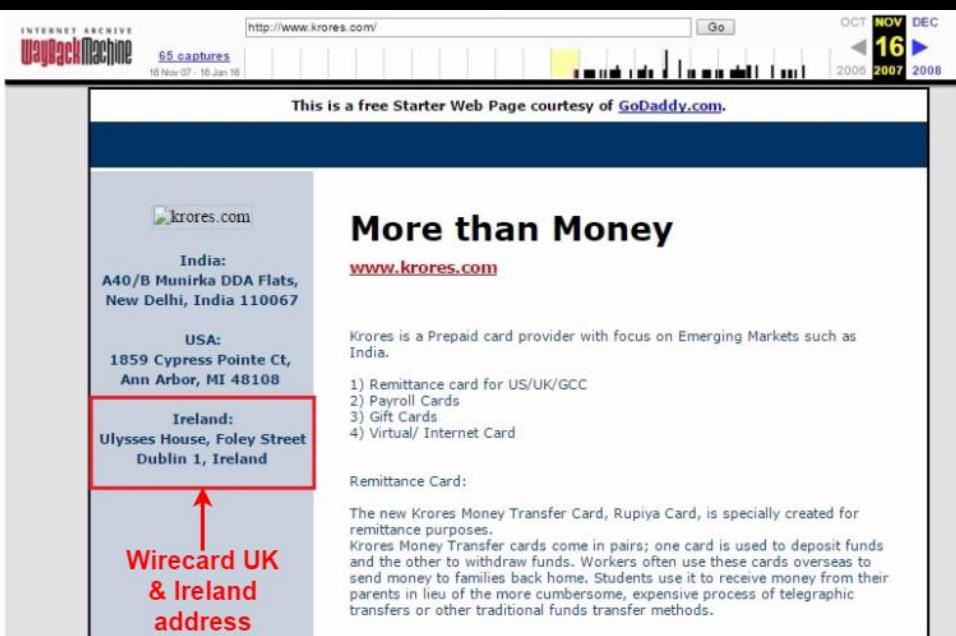


Figure 14 Krores.com webpage from November 16, 2007 saved by the Wayback Machine⁶⁹

Knöchelmann, incorporated and owned Krores, whilst in office as
Wirecard Payment Solutions' CEO.

List of past and present members		Persons holding shares on the date to which the annual return has been made up for 2008 (insert year) and of persons who have held shares therein at any time since the date of the last return, or in the case of the first return, the date of the incorporation of the company. note twelve			
		Share class	Numbers held note fourteen	Number transferred & date note fifteen	Particulars of transferee note fifteen
notes six and thirteen					
Name	Jacqui Desmond	€1.00 ORDINARY	0	4 13/09/2007	Dietmar Knöchelmann
Address	c/o Comnet Ulysses House Foley Street Dublin 1				
Folio no.	1				
Name	Vineet Kalial	€1.00 ORDINARY	2		
Address	1859 Cypress Pointe CT Ann Arbor MI 48108 USA				
Folio no.	3				
Name	Dietmar Knöchelmann	€1.00 ORDINARY		4 14/09/2007	Transworld Properties Limited
Address	Ringstrasse 10, 038350 Dresden				
Folio no.	2				
Name	Transworld Properties Limited		4		
Address	3rd Floor Ulysses House Foley Street Dublin 1				
Folio no.					

Figure 15 Krores Limited (Ireland) – Dietmar Knöchelmann owned Krores Limited (Ireland) from the day it was incorporated, and while he was CEO to Wirecard Payment Solutions Holdings Ltd

⁶⁹ www.krores.com Web Archive - Courtesy of Internet Archive WayBackMachine



Summary

Vineet is a seasoned business executive with over 20 years of work experience in financial services and is a serial entrepreneur. He is the Managing Partner of Sky7 Ventures a global incubator. Prior to forming Vista Money he was the CEO of Krores, which was sold to a listed German Bank. He also Co-founded Janeeva, where he played a leadership role in creating the Outsourcing Relationship Management (ORM) industry. He is an acknowledged thought leader in the international business and is helping shape the emerging markets with his experiences and leadership. Prior to this venture, he was a CEO of a boutique consulting company where he helped develop outsourcing strategy for various Fortune 100 clients. As a pioneer in the offshore arena, Mr. Katial has formed various companies and was always a part of their executive management teams. He was a CEO of an offshore BPO company and was the Founding Member, CIO and EVP for CustomerAsset which was acquired by ICICI Bank to form ICICI OneSource (FirstSource), where he took over as their VP. He had also been an Executive Director with Teletech and program manager for a \$35 B telecom merger. Mr. Katial also has held various management roles with various Fortune 500 companies such as KPMG (now BearingPoint), Qwest, Bank of America, and Bank One (now Chase).

He serves on the Board of Directors of Sky7 Ventures, Vista Money, Krores LLC and Voice-Resume, Executive Panel for Globalization of Services at University of Michigan/WDI, Charter Member for The Indus Entrepreneurs and Board of Advisors of Janeeva and was Chairman of Larasan Pharmaceuticals. He is involved with various philanthropic ventures and a Charter Member and President of Rotary Club of Ann Arbor west. He has an MBA from University of Colorado and Bachelor of Commerce (Honors) from Sri Ram College of Commerce, Delhi University.

Specialties: Startups, Prepaid cards, Payments, Mobile Payments, Emerging Markets, Financial Systems, Globalization and Remittance.

Figure 16 LinkedIn profile for Vineet Katial

Trautmann signed Krores filings in 2012 (nearly 3 years after leaving Wirecard), but wasn't it "sold to a listed German bank"?

KRORES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE SHAREHOLDERS FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by Chartered Accountants Ireland.

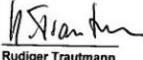
Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Acts 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


Rudiger Trautmann
Director

1/1/2012
Date Signed

KRORES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE SHAREHOLDERS' FINANCIAL STATEMENTS

General responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by Chartered Accountants Ireland.

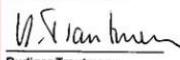
Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Acts 1963 to 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


Rudiger Trautmann
Director

23-11-2012
Date signed

Figure 17 Rüdiger Trautmann signed off the Krores Limited (Ireland) accounts for both 2010 and 2011 financial years on January 1, 2012 and November 23, 2012 respectively

Why Investors and Investigators Should Seek Clarity On Krores

In the UIGEA conspiracy court case⁷⁰ funds were seized in the name of 'Krores Cards, Inc.':

10. at Union Bank of the Philippines, Philippines,
held in the name **Krores Cards, Inc.**, and all funds traceable
thereto;

Figure 18 Krores Cards, Inc. cited in the U.S. case the 'Unlawful Internet Gambling Enforcement Act (UIGEA) Conspiracy' as a foreign account which held defendants' right, title and interest in funds and other property

There is evidence that 'Krores Card, Inc.' is a Philippines associate of the Krores Group⁷¹.

If Krores Cards is a related party to Krores/Fantazzle and hence to Wirecard, then this raises significant issues for Wirecard (below).

The Krores/Fantazzle/Wirecard/Vista Money observations:

We believe that Trautmann and Knöchelmann remain closely affiliated with Wirecard, and that Wirecard acquired the operations of Krores, a prepaid card issuer, from Trautmann and Knöchelmann.

Evidence suggests that prior to Krores being acquired by Wirecard, that it was an 'off-the-books' group of companies for Wirecard, *viz.* shared address, officer ownership, officer overlap.

As such we believe that Wirecard's CEO, Markus Braun, and CFO, Burkhard Ley, must have had knowledge that Trautmann and Knöchelmann controlled a number of undisclosed companies, one of which was Krores.

The implication of this is damning for the current board and brings into question any credibility of Braun and Ley being fit and proper officers.

Further implications could be more material in terms of criminal repercussions. If Krores was an 'off-the-books' affiliate of Wirecard, then investors should question whether Wirecard was in breach of the 'USA Patriot Act'. The Act requires all financial institutions to obtain, verify, and record the information that identifies each person who opens an account.

This is particularly pertinent when considering a 'Krores Cards Inc.' that was implicated in the United States of America case the 'Unlawful Internet Gambling Enforcement Act (UIGEA) Conspiracy'⁷².

Even without an ownership link, it is clear that Trautmann and Knöchelmann had involvement with both the Krores Group and Wirecard simultaneously; this clearly raises issues whether they knowingly directed and/or collaborated in the transgression of the U.S. Wire Act and the UIGEA, whilst officers of Wirecard through Krores.

⁷⁰ [Unlawful Internet Gambling Enforcement Act Conspiracy - United States District Court Southern District of New York](#)

⁷¹ [For instance the following website states 'Krores Ltd, a Dublin-based prepaid card provider, announced the launch of a prepaid card product designed for migrant workers in the Middle East with homes and family primarily in India and the Philippines.'](#)

⁷² Ibid.

Violating the Wire Act

Significant and new evidence shows Wirecard's involvement in violating U.S. restrictions on internet gambling, contrary to its denial of its involvement in an investigation in 2010.

Wirecard is at serious risk of prosecution and sanction by the U.S. authorities. The Department of Justice Statute of Limitations for these crimes extends to ten years⁷³. Further, evidence shows that Wirecard continues to facilitate the evasion of U.S. restrictions on internet gambling.

Background:

- A U.S. Secret Service investigation during 2010, highlighted Wirecard Bank as facilitating the unlawful wiring of at least \$70 million related to online gambling into the U.S., violating the U.S. Wire Act and the Unlawful Internet Gambling Enforcement Act⁷⁴ ("UIGEA").
- Subsequent to a 31% drop in Wirecard's share price, Wirecard issued a statement claiming to have had no association with the individual involved.
- In denying its involvement, there is overwhelming evidence that shows Wirecard misled both investors and critically the U.S. Secret Service.

Evidence suggests:

1. Wirecard's very own COO Rüdiger Trautmann, created an undisclosed company associated with the individuals and companies that breached the Wire Act and the UIGEA.
2. Wirecard's consultant and former Chairman of the Board, Jochen Hochrein controlled two other companies transferring illegal funds.
3. Wirecard's JV partner shares the same German address as the Florida based receiving company that distributed the funds to gamblers.

Further evidence in this and following sections also reveals that:

1. Wirecard Payment Solutions' CEO, Dietmar Knöchelmann, is awaiting prosecution by the Israeli judiciary for money laundering *whilst he was in office* at Wirecard at the time of the U.S. Secret Service investigation.
2. This is not the only instance Wirecard was involved in a breach of the Wire Act and the UIGEA.
3. **Incredibly, Wirecard appears to continue to facilitate the violation of the U.S. Wire Act and the UIGEA.**

It is one thing to mislead investors. It's another matter to deceive the United States Secret Service...especially as Wirecard appears to continue to do so.

470

⁷³ [Criminal Resource Manual - 968. Defenses—Statute of Limitations - Offices of the United States Attorneys \(18 U.S.C. § 3293\).](#)

⁷⁴ [fdic.gov - Unlawful Internet Gambling Enforcement Act of 2006 - UIGEA or Act](#)

Michael Schütt

On April 26, 2006, Michael Schütt (“Schütt”)⁷⁵ incorporated US AG 24 Inc.⁷⁶ (“USAG24”) in Florida. In February 2010, the United States Secret Service arrested Schütt, under suspicion of money laundering. In March 2010, he plead guilty to “*operating an unlicensed money transmitting business*”⁷⁷.



Figure 19 Photo of Michael Schütt.

Schütt received the money from a Wirecard Bank account.

The United States Secret Service

On February 18, 2010, the U.S. Secret Service alleged that Michael Schütt, residing in Florida did:

“Knowingly conduct, control, manage, supervise, direct and own an unlicensed money transmitting business.”⁷⁸

The U.S. Secret Service revealed that Schütt had received approximately \$70 million dollars by international wire transfer including from a company called Bluetool Limited via Wirecard Bank⁷⁹.

Wirecard’s stock immediately began falling, due to its alleged involvement in money laundering. Bizarrely, rumors circulated that Schütt had claimed to be performing the money laundering at the behest of Wirecard’s board.

⁷⁵ Note that Schütt is known as ‘Schuett’ and as ‘Olaf Brand’.

⁷⁶ Articles of incorporation for USAG24 Inc.

⁷⁷ Naples News - Crime - Naples man faces 5 years in Internet Poker gambling case.

⁷⁸ Criminal Complaint United States District Court - United States of America Vs. Michael Olaf Schuett

⁷⁹ Ibid. – page paragraph 7

As Handelsblatt reported on a GoMoPa⁸⁰ story around the time^{81,82} (translation):

"Reported by the financial news service provider, Goldman Morgenstern & Partners (GoMoPa), say Schütt had confessed to act on behalf of Wirecard. He was one of five "money messengers" of the company [Wirecard], directly commissioned by the board. GoMoPa referred to a report from a court reporter of a local Florida paper, Naples News."

This rumor was regarded unlikely however, evidence now shows it may be fact.

Wirecard's stock cratered on rumors of money laundering, and that Schütt was acting under orders from Wirecard.



Figure 20 Wirecard stock price during period of shareholder concern surrounding its involvement in the Schütt affair, and recovery following Wirecard's denials of any association

The share price only began to recover following Wirecard's vigorous denial of any such connections and its release of the following statement on March 30, 2010 (**our emphasis**):

"On account of the criminal investigation initiated against a private individual [Schütt] in the U.S., untrue and wholly unfounded allegations are being spread concerning the business practices at Wirecard Group. The private individual mentioned in the article was not and is not associated in any manner whatsoever with the Wirecard Group.

⁸⁰ We appreciate that there have been questions regarding the integrity and reliability of the GoMoPa principals in the past. We believe it is important to document their claims and the impact on Wirecard's share price. We have never been in contact with GoMoPa.

⁸¹ [Handelsblatt report: Wenn Short-Seller Jojo spielen – March 31, 2010.](#)

⁸² Parts of the original GoMoPa reports are available on the Wayback Machine – see [March, 05, 2010 German Casino - Trustee arrested in Florida / Deutscher Casino - Treuhänder in Florida verhaftet , April 10, 2010 Wirecard Bank AG displayed for money laundering / Wirecard Bank AG wegen Geldwäsche angezeigt](#) and [April 14, 2010 Wirecard: flowers instead gambling / Wirecard: Blumen statt Glücksspiel](#)

510

Wirecard AG unequivocally and sharply repudiates any allegations giving rise to a suspicion of money laundering.

Moreover, Wirecard AG commissioned an international law firm of note to safeguard its interests by taking legal action against the Internet portal concerned and possibly other persons involved.⁸³"

The market and the U.S. Secret Service were told that although the sender may have sent the money from a Wirecard Bank account, that it was no different to any other bank being the unwitting sender of payments on behalf of a customer.

520

Wirecard denied any involvement, which is surprising as its COO, Rüdiger Trautmann, was in cahoots with the shareholders of the company sending the money to Schütt.

Further, its CEO, Dietmar Knöchelmann, of Wirecard Payment Solutions is awaiting prosecution for laundering money at the time.

30.03.2010

Wirecard AG repudiates false allegations

Wirecard AG / Statement

30.03.2010 16:37

Dissemination of a Corporate News, transmitted by DGAP - a company of EquityStory AG.
The issuer / publisher is solely responsible for the content of this announcement.

Munich / Grasbrunn, March 30, 2010; Wirecard AG has issued the following statement in response to an article on allegations published on an Internet portal last night:

On account of a criminal investigation initiated against a private individual in the U.S., untrue and wholly unfounded allegations are being spread concerning business practices of the Wirecard Group. The private individual mentioned in the article was not and is not associated in any manner whatsoever with the Wirecard Group.

Wirecard AG unequivocally and sharply repudiates any allegations giving rise to a suspicion of money laundering.

Moreover, Wirecard AG has commissioned an international law firm of note to safeguard its interests by taking legal action against the Internet portal concerned and possibly other persons involved.

Figure 21 Wirecard Press release 30 March 2010

⁸³ [Wirecard AG repudiates false allegations](#)

Bluetool Ltd

Schütt received the illegal monies by international wire transfer from the owner of a Wirecard bank account. This source was a UK company, Bluetool Ltd (“Bluetool”)⁸⁴.

Evidence suggests Bluetool was a front for Wirecard and under the control of Wirecard’s COO, Rüdiger Trautmann.

530

Bluetool was a UK based company, incorporated June 10, 2009 in the name of Gail Hope⁸⁵, and has the unlikely registered address of a multimillion dollar enterprise.

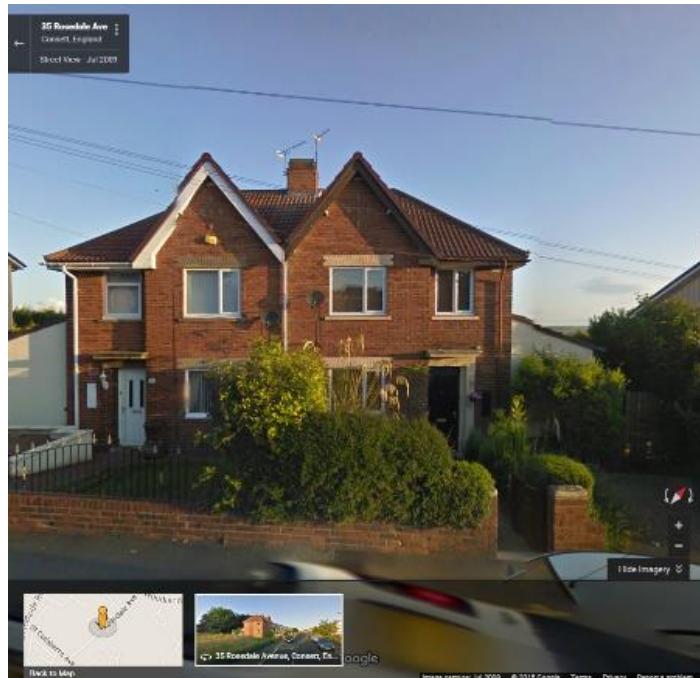


Figure 22 34 Rosedale Avenue, Consett, and County Durham – Registered office of Bluetool

We note that Bluetool’s corporate ownership and control shared the same features as Wire Card UK Ltd, and many gaming related companies. These were:

- **Shareholders: Fermoya Ltd and BMIE Ltd.**
- **Company secretary: Bournewood Limited** a BVI registered entity. Is the company secretary to Wire Card UK and Bluetool, that latter of which, wired unlawful gambling related monies to a German national, Michael Schütt into the U.S.

540

⁸⁴ Ibid (Menster Statement) – multiple mentions

⁸⁵ Bluetool, was a UK based company, incorporated June 10, 2009 at Companies House by a Mrs. Gail Hope

Trautmann's undisclosed UK Company, Wire Card UK, raises questions and concerns:

We believe that Wirecard's CEO, Markus Braun, and CFO, Burkhard Ley:-

- Misled shareholders, regulators and the U.S. Secret Service by their statement that Wirecard had no association with the companies (Bluetool) and individuals in wiring illegal online gambling monies into the U.S.
- Were aware of Wire Card UK's existence and the joint ownership between Wire Card UK Ltd and Bluetool Ltd, the latter of which wired illegal online gambling monies into the U.S.

To re-iterate, should Markus Braun and Burkhard Ley, assert that they had no knowledge of either Trautmann or Knöchelmann's actions, nor the joint ownership between Wire Card UK Ltd and Bluetool Ltd, and they were not complicit, then they are demonstrating gross negligence and incompetence.

These actions have serious implications:

The Department of Justice Statute of Limitations for these crimes extends to ten years⁸⁶ for financial institutions using fraudulent methods to process payments and evade U.S. restrictions on internet gambling. An example of these actions has previously resulted in fines and return of capital totaling \$731 million (PokerStars)⁸⁷.

These are not the only links between Wirecard and Schütt.

⁸⁶ [Criminal Resource Manual - 968. Defenses—Statute of Limitations - Offices of the United States Attorneys \(18 U.S.C. § 3293\).](#)

⁸⁷ [Manhattan U.S. Attorney Announces \\$731 Million Settlement of Money Laundering and Forfeiture Complaint with PokerStars and Full Tilt Poker](#)

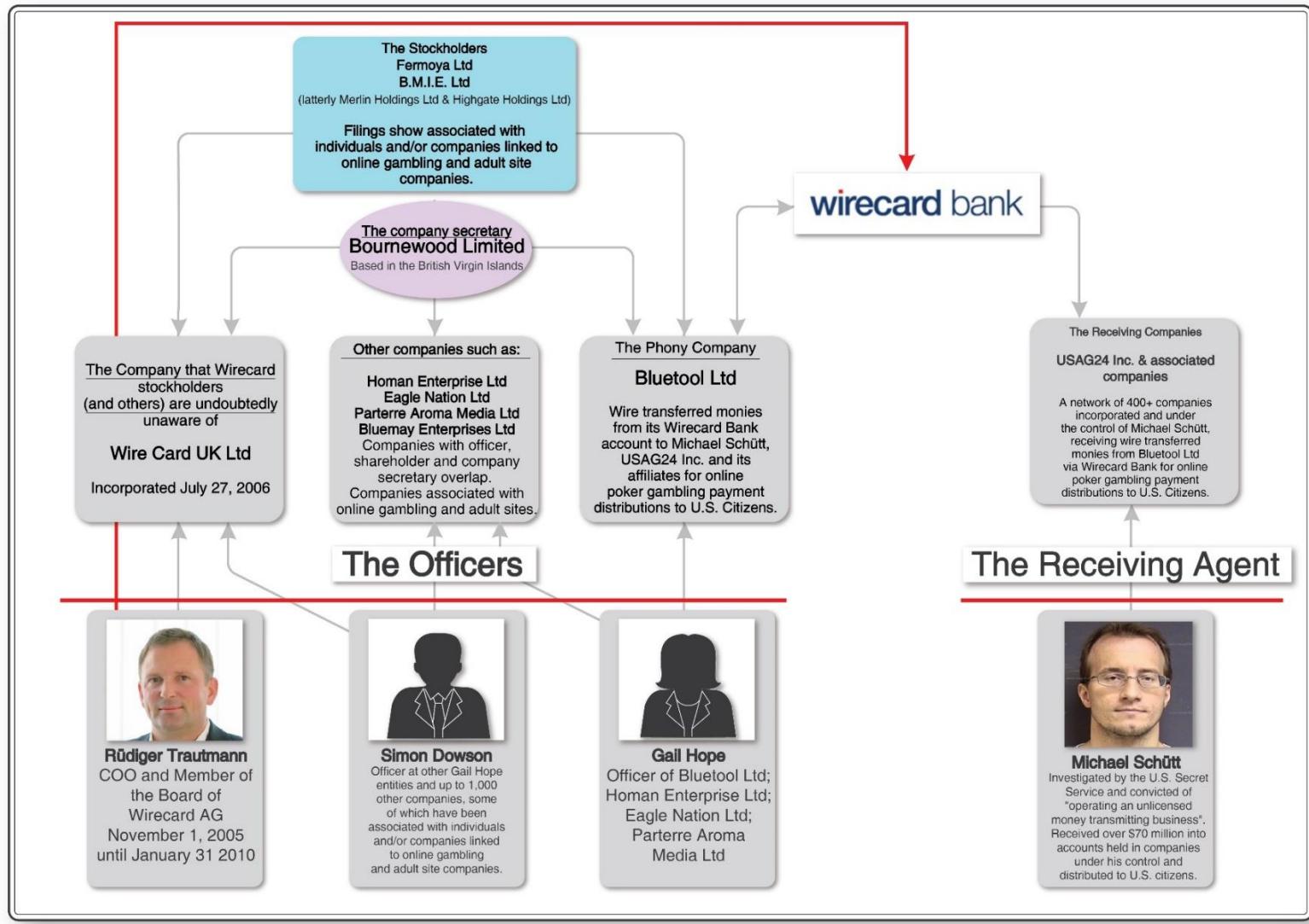


Figure 23 Connections to Schütt

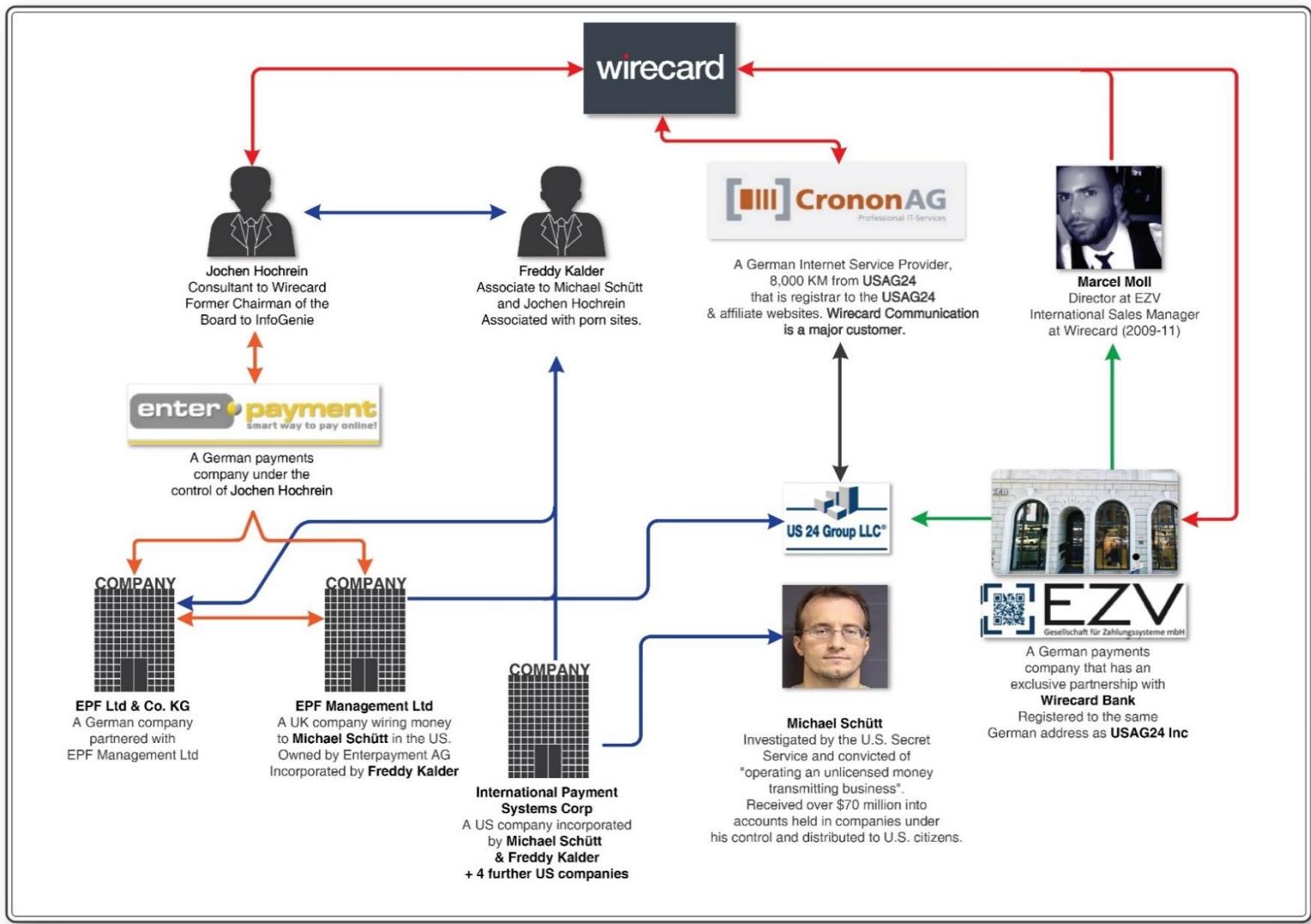


Figure 24 Connections to Schütt

Wirecard and further links to US AG 24 Inc.

550

Evidence reveals that:

- Schütt is still active in Florida.
- Wirecard Communication's Internet Domain Service Provider has registered each of Schütt's associated websites.
- Wirecard's joint venture partner, EZV, shares the same German correspondence address as Schütt's German contact details.

Aside from Bluetool, there were two further companies highlighted in the U.S. Secret Service investigation. There is evidence to show that:

- Wirecard's consultant and former Chairman of the Board, Jochen Hochrein, controlled these two companies, wiring money to Schütt.

The Technical Links

Bluetool Ltd wired monies from its Wirecard Bank account to the companies directly controlled by Schütt and/or USAG24.

USAG24 is still active. Its website can be found at www.usag24.com. The opening page to the site is shown below (Accessed: February 11, 2016)

US 24 Group LLC

YOU'RE IN GOOD HANDS FROM THE VERY START

US 24 Group
- Full service support for establishing corporations in the USA

US 24 Group LLC is an internationally operating service provider in the area of business consulting, specifically with regard to establishing corporations in the USA. Backing US 24 Group LLC is an association of lawyers, notaries public, tax advisers and business consultants who will provide you with comprehensive advice and support before, during and after you establish your corporation. This association of expert professionals guarantees that you will be able to take full advantage of the many benefits that a US-Corporation offers.

You can count on our integrity and reliability as we advise you and organize the establishment of your corporation from start to finish. You will receive from us all of the services you need from a single source, and you'll have a personal contact that you can reach at any time.

What makes us different from the others?

We provide you with support even after your corporation has been established. You will receive a full range of important and simply useful additional services that other service providers either can't or don't wish to offer. US 24 Group LLC is not an automated factory for establishing corporations without the possibility of responding to customers' wishes or offering expert advice. We combine expert advice with a range of services that is unique in the industry. Each of our clients has individual goals, and we provide the support you need to help you reach those goals.

US 24 Group LLC offers you the full spectrum of services for establishing your corporation in the USA — at affordable prices.

Copyright © 1995-2014 US24 Group.

Beurteilung: 4.4 von 5 | 2238 Stimmen

Figure 25 US AG 24 Inc. website (English version), the company incorporated by Michael Schütt in Florida, U.S.

There are other sites associated with USAG24. These include:

560

- www.greencardlottery24.com
- www.myuscorporation.de
- www.us24-group.com
- www.floridaimmobilien24.com
- www.hausvermietung-florida.com

The Whois data⁸⁸ displaying the registrant of these sites suggests a remarkable coincidence. A German firm and subsidiary of Deutsche Telekom, Cronon AG⁸⁹ was the registrar for www.usag24.com.

Whois information

```

Domain Name: usag24.com
Registry Domain ID: 5264231
Registrar Whois Server: whois.cronon.net
Registrar URL: http://www.cronon.net
Updated Date: 2005-10-18T00:00:00Z
Creation Date: 2005-10-18T00:00:00Z
Registrar Registration Expiration Date: 2016-10-18T00:00:00Z
Registrar: Cronon AG
Registrar IANA ID: 141
Registrar Abuse Contact Email: abuse@strato.de
Registrar Abuse Contact Phone: +49.303001460
Reseller:
Domain Status: ok
Registry Registrant ID:
Registrant Name: US AG24 Inc
Registrant Organization:
Registrant Street: Peter Harris
Registrant Street: Am Seelberg 42
Registrant Street: c o Schuett
Registrant City: Hannover
Registrant State/Province:
Registrant Postal Code: 30629
Registrant Country: DE
Registrant Phone: +49.3080932893
Registrant Phone Ext:
Registrant Fax:
Registrant Fax Ext:
Registrant Email: michael@usag24.com
Registry Admin ID:
Admin Name: US AG24 Inc

```

570

Figure 26 'Whois' data for US AG 24 Inc. website, showing registrar as Cronon AG

Cronon AG describes itself as:

"Professional IT Services...a partner for ERP Consulting especially for the needs of medium-sized companies."⁹⁰

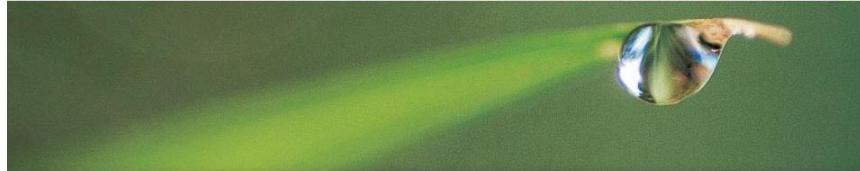
Cronon AG lists Wirecard Communication Services GmbH amongst its major clients⁹¹:

⁸⁸ [Summary for usag24.com courtesy of www.tcpiputils.com](http://www.tcpiputils.com)

⁸⁹ www.cronon.net

⁹⁰ [Cronon AG Company Brochure \(PDF\)](#)

⁹¹ [Cronon.net Client - Wirecard Communication Services GmbH](#)



Start EN » Company » Customers A - Z » Details

Company

Milestones

Customers A - Z

Partners A-Z

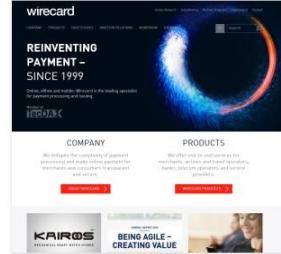
Contact

Site notice

Data Privacy

Wirecard Communication Services GmbH

Wirecard Communication Services GmbH is a subsidiary of the Munich-based Wirecard AG, an international leader in providing payment and risk management solutions. Within the corporation, Wirecard Communication Services GmbH handles the business division of call centre and communication services.



In its Berlin-based data centre, Cronon AG hosts telecommunication lines to which parts of the virtual communication switchboard at Wirecard Communication Services GmbH belong.

Figure 27 Cronon Website highlighting Wirecard Communication Services GmbH as a major partner⁹²

The USAG24 Inc./Cronon/Wirecard overlap raises several questions:

- Why is Cronon AG, a **German based** service provider, the registrar for Schütt's **8,000 km away Florida based** USAG24 (and affiliate) websites?
- Given that Cronon AG itself highlights that, it mainly services "**medium-sized companies**", what led it to provide services for numerous websites, representing Michael Schütt's **alleged small time businesses in Florida**.
- We note that Wirecard Communication Services is also a major customer to Cronon AG and do not view this as a coincidence.

⁹² [Cronon.net Client - Wirecard Communication Services GmbH](#)

The Payment Links

In the following we show the links between Michael Schütt, USAG24 and (via a common address with ESV Gesellschaft für Zahlungssysteme mbH) Wirecard; and via EPF with the ex-chairman (Jochen Hochrein) of InfoGenie – the predecessor company to Wirecard.

US AG 24 Inc. provides its U.S. address as⁹³:

590

*US AG 24 Inc.
3001 N. Rocky Point Drive East
2nd Floor
Tampa, FL 33607
United States of America*

It also provides a German address as⁹⁴:

*US AG 24 Inc.
Friedrichstrasse 171
10117 Berlin
Germany*

The German address for US AG 24 Inc. is the same address as that given by EZV Gesellschaft für Zahlungssysteme mbH⁹⁵ (which translates as the Society for Payment Systems).

The screenshot shows the EZV website (www.ezv.de) with the following details:

- Header:** EZV Gesellschaft für Zahlungssysteme mbH
- Navigation:** STARTSEITE | IMPRESSUM
- Image:** A photo of two people working at a computer.
- Content:**
 - Kontaktformular**
 - Kontakt per Telefon**
 - Adress / Anschrift** (highlighted with a red box): EZV Gesellschaft für Zahlungssysteme mbH, Friedrichstr. 171, 10117 Berlin
 - Fragen und Antworten**
 - Newsletter**
- Impressum:**
 - Headquarter USA:** US AG 24 Inc., 3001 N. Rocky Point Drive East, 2nd Floor, Tampa, FL 33607, United States of America
 - Board of Directors:** Dr. Peter Harris, Attorney at Law; Mike Morgan; Susan Freytag; Thomas Dean
 - Mitarbeiter:** Wilhelm Schneider, Attorney at Law; Thomas Hopfenbruch; Sylvia Schneider; Meagan Saza, Notary Public
 - Freie Mitarbeiter:** Mariam Mejdane-Siracusa, Lido Fischer; Aaron Britt; Dzial prawny; Dzial tiumaczén; Andrea Montoya, Realtor
 - E-Mail:** harris@usag24.com, morgan@usag24.com, freytag@usag24.com, dean@usag24.com, w.schneider@usag24.com, hopfenbruch@usag24.com, kleinhausen@usag24.com, s.schneider@usag24.com, meagan@usag24.com, lido.fischer@usag24.com, aaron.britt@usag24.com, dzial.prawny@usag24.com, dzial.tiumaczén@usag24.com, andrea.montoya@usag24.com
 - Registernummer:** P06000059078, Florida, Tallahassee Employer Identification Number (EIN): 20-4876109
 - Fon:** +1 813 579 5400
Fax: +1 866 470 2984
E-Mail: info@usag24.com
 - Rechtsabteilung:** recht@usag24.com
 - Niederlassung Berlin (Germany):** US AG 24 Inc., Friedrichstrasse 171, 10117 Berlin, Germany
Tel.: +49 (0)30 809 328 93
Fax: +49 (0)30 469 993 924
E-Mail: berlin@usag24.com
 - Rechtsabteilung:** recht@usag24.com
- Text at bottom:** Verantwortlich für den Inhalt dieser Web-Site ist die US AG 24 Inc. mit Sitz in Tampa, vertreten durch Dr. Peter Harris.

600

Figure 28 US AG 24 Inc. provides the same German address as EZV Gesellschaft für Zahlungssysteme mbH (in English: Society for Payment Systems) a partner to Wirecard AG

⁹³ [US AG 24 'Real Estate'](#)

⁹⁴ Ibid.

⁹⁵ [EZV Gesellschaft für Zahlungssysteme mbH Website](#)

EZV Gesellschaft für Zahlungssysteme mbH

EZV Gesellschaft für Zahlungssysteme mbH ("EZV") is a joint venture partner to Wirecard Bank AG^{96,97}. In fact, its website suggests that all it does is provide a prepaid card BarPay, with Wirecard Bank, and Lekkerland GmbH⁹⁸. Wirecard Bank provides the banking services, while Lekkerland has installed over 18,000 points of sale in retail stores⁹⁹.

610



620



Figure 29 Wirecard Bank is one of two partners to EZV Gesellschaft für Zahlungssysteme mbH in a joint venture called Bar Pay

630

Do you see the pattern of undisclosed and obscure companies with the same shareholders, same website registrar and shared addresses?

Do you believe investors, regulators and criminal investigators will see the same pattern?

⁹⁶ <http://ezv-gmbh.de/partner.html>

⁹⁷ <https://www.esso-gutschein.de/cms/agb-1001.html>

⁹⁸ [Lekkerland is a wholesaler, supplying tobacco goods, food-to-go, snacks, drinks, and other goods to gas stations, kiosks, and fast-food chains amongst others, throughout Europe.](#) -

⁹⁹ <http://ezv-gmbh.de/partner.html>

We also note that one of EZV's three reported members of executive management is Marcel Moll¹⁰⁰. Marcel Moll was former 'International Sales Manager' at Wirecard¹⁰¹.

Figure 30 Marcel Moll, one of three managers at EZV Gesellschaft für Zahlungssysteme mbH and former International Sales Manager at Wirecard

640

The US AG 24 Inc./EZV/Wirecard overlap raises several questions:

1. Why does the German based, EZV Society for Payment Systems (a joint venture partner of Wirecard), share the same address as the German address for the Florida based money laundering company USAG24?
2. Does the partnership between EZV and Wirecard Bank extend beyond its joint venture, BarPay?
3. Is it another coincidence that a former International Sales Manager of Wirecard, Marcel Moll, possibly has ties to Michael Schütt and USAG24? We do not view this in anyway coincidental to Wirecard.

The Consultant and Former Chairman of The Board Link

Jochen Hochrein ("Hochrein")

Hochrein was Chairman of the Board of Management to InfoGenie¹⁰² until his move to becoming a consultant to Wirecard in September 2004¹⁰³. He was also a General Manager¹⁰⁴ of ebs Global GmbH which, at one point in the early 2000s, was the parent of Wirecard¹⁰⁵.

Hochrein has a side-line in pornography and was very active during his disclosed tenure with InfoGenie and Wirecard.

Indeed, if readers do a simple google search the results show tens of pornographic related web sites registered by Hochrein:

Google search: "Registrant Name: Jochen Hochrein"

¹⁰⁰ <http://ezv-gmbh.de/management.html>

¹⁰¹ [LinkedIn Profile for Marcel Moll](#)

¹⁰² Wirecard reverse IPO'd into InfoGenie Europe AG in September 2004

¹⁰³ [The retirement of past Board member Jochen Hochrein and the termination of his tenure as such has been amicably agree\[d\] effective as of September 30, 2004. Mr. Hochrein will serve the company as consultant also in the future.](#)

¹⁰⁴ [InfoGenie Q1 2003 Accounts](#)

¹⁰⁵ [The EBS Group operates as a holding company - Association with Wirecard - Translation required](#)

Further to Hochrein's adult website involvement, in or about 2007, filings at Bundesanzeiger, show Hochrein to be among the Supervisory Board to a German online payments business, Enterpayment AG.

Among Enterpayment's subsidiaries was a UK registered company, Deutsche Zahlungsverkehrsgesellschaft Ltd¹⁰⁶ ("Deutsche Zahlungsverkehrsgesellschaft").

Deutsche Zahlungsverkehrsgesellschaft Ltd translates as German Payment Company Ltd and was incorporated (Fig 31) October 22, 2003 by:

Wulf Backhaus ("Backhaus") and; Freddy Kalder ("Kalder")

IV. Sonstige Angaben			
Unmittelbare Beteiligungen			
In der nachfolgenden Übersicht sind die von der Gesellschaft zum Bilanzstichtag gehaltenen Beteiligungen dargestellt.			
Beteiligung	Anteile in %	Eigenkapital 2007 TEUR	Jahresergebnis 2007 TEUR
enterpayment Services GmbH, Wiesbaden	100	187	1.211
WEN Industries Ltd., Wiesbaden	100	***	***
Deutsche Zahlungsverkehrsgesellschaft Ltd., Wiesbaden	100	**	**
enterpayment LLC, New York	100	*	*

* Die Gesellschaft wurde im Jahre 2006 als Vorratsgesellschaft für ein anstehendes Projekt gegründet, welches nicht stattfand. Ein Jahresabschluss wurde nicht erstellt.
 ** Ein Jahresabschluss 2007 wurde noch nicht erstellt
 *** Ein Jahresabschluss 2007 wurde noch nicht erstellt

Finanzielle Verpflichtungen und Haftungsverhältnisse			
Es bestehen zum Bilanzstichtag Büromiet- und Leasingverpflichtungen von insgesamt TEUR 184.			
Zum Stichtag bestanden keine Haftungsverhältnisse nach § 251 HGB.			
Gesellschaftsorgane			
Mitglieder des Vorstandes der Enterpayment AG waren im Berichtszeitraum			
Wulf Backhaus (Diplom-Kaufmann), Eppstein			
Markus Tarara (Kaufmann), Wiesbaden			
Der Aufsichtsrat setzte sich im Geschäftsjahr 2007 aus folgenden Personen zusammen:			
Steffen Hantke, Vorsitzender, (Schlangenbad) (Haupttätigkeit: Kaufmann)			
Jens Bernert, (Halbach) bis zum 28.02.2007 (Haupttätigkeit: Bankkaufmann)			
Jochen Hochrein, (Glattbach) ab dem 13.03.2007 (Haupttätigkeit: Dipl. Wirtschaftsingenieur/FH)			
Matthias Kopolt, (Seligenstadt) ab dem 13.03.2007 (Haupttätigkeit: Kaufmann)			

Wiesbaden, den 15. März 2008

Wulf Backhaus
Markus Tarara

660

Figure 31 Jochen Hochrein as Supervisory Board Member to Enterpayment AG

Wulf Backhaus

Backhaus¹⁰⁷ was COO to Enterpayment from 2003 to 2007. His expertise includes "ePayment (payment methods in the internet), innovative eBusiness entertainment solutions".

Backhaus and Kalder incorporated Deutsche Zahlungsverkehrsgesellschaft in the UK.

<i>Director 1:</i>		
Style/Title: Name: Address: Nationality: Business occupation: Date of birth:	MR FREDDY KALDER SCHMIDTBURG 34A BAD SCHWALBACH GERMANY 65307 GERMAN SALESMAN 14/10/1975	
Consented to Act: Y	Date authorised 22/10/2003	Authenticated: Y
<i>Director 2:</i>		
Style/Title: Name: Address: Nationality: Business occupation: Date of birth:	MR WULF BACKHAUS REUTER WEG 80 FRANKFURT GERMANY 60323 GERMAN SALESMAN 18/04/1974	Consented to Act: Y
Date authorised 22/10/2003	Authenticated: Y	

Figure 32 Wulf Backhaus former COO to camPoint and Enterpayment AG, and Freddy Kalder incorporate Deutsche Zahlungsverkehrsgesellschaft Ltd in the UK

¹⁰⁶ [Companies House UK - DEUTSCHE ZAHLUNGSVERKEHRSGESELLSCHAFT LIMITED No.04940606](#)

¹⁰⁷ <http://www.finatem.com> Industry Expert

Freddy Kalder (“Kalder”)

670

Kalder is a known business associate to Michael Schütt.

According to filings with the Florida Department of State Divisions of Corporations, Freddy Kalder and Schütt’s US AG 24 Inc. were both officers to International Payment Systems Corporation during 2008¹⁰⁸.

Further to Blueloop, two additional companies, International Payment Systems Corporation and EPF Ltd & Co. KG were cited in the U.S. Secret Service report as involved in unlawful wire transfers of millions of dollars to U.S. citizens¹⁰⁹.

2008 FOR PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# P07000098122

Entity Name: INTERNATIONAL PAYMENT SYSTEMS CORPORATION

FILED
Mar 11, 2008
Secretary of State

I certify that I am familiar with and accept the responsibilities of registered agent.

P07000098122
FILED
September 04, 2007
Sec. Of State
Jshivers

Current Principal Place of Business:

1903 60TH PLACE
M3227
BRADENTON, FL 34203

New Principal Place of Business:

1903 60TH PLACE
M3227
BRADENTON, FL 34203

Current Mailing Address:

1903 60TH PLACE
M3227
BRADENTON, FL 34203

New Mailing Address:

FEI Number: 26-2132800 FEI Number Applied For () FEI Number Not Applicable () Certificate of Status Desired ()

Name and Address of Current Registered Agent:

US AG 24 INC.
3001 N. ROCKY POINT DRIVE EAST
2ND FLOOR
TAMPA, FL 33607 US

Name and Address of New Registered Agent:

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Election Campaign Financing Trust Fund Contribution ().

OFFICERS AND DIRECTORS:

Title:	CEO	() Delete
Name:	US AG 24 INC.	
Address:	3001 N. ROCKY POINT DRIVE EAST	
City-St-Zip:	TAMPA, FL 33607	

ADDITIONS/CHANGES TO OFFICERS AND DIRECTORS:

Title:	P	(X) Change () Addition
Name:	KALDER, FREDDY	
Address:	HAGENAUER STRASSE 47	
City-St-Zip:	WIESBADEN, D 65203	

Registered Agent Signature: PETER HARRIS

Article VI

The name and address of the incorporator is:

MICHAEL O. SCHUETT
3001 N. ROCKY POINT DRIVE EAST
2ND FLOOR
TAMPA, FL 33607

Incorporator Signature: MICHAEL O. SCHUETT

Article VII

The initial officer(s) and/or director(s) of the corporation is/are:

Title: CEO
US AG 24 INC
3001 N. ROCKY POINT DRIVE EAST
TAMPA, FL 33607

Figure 33 Michael Schütt and Freddy Kalder incorporate International Payment Systems Corporation (“IPS Corp”) with US AG 24 Inc. in Florida. IPS Corp one of two companies in the U.S. Secret Service report as being highlighted by Wells Fargo Financial Intelligence Unit as involved in processing millions of dollars to thousands of U.S. citizens

680

EPF Ltd & Co. KG (“EPF KG”) leads more directly back to Hochrein the consultant and former Chairman of the Board of Management to Wirecard.

EPF KG has a UK company as its general partner, EPF Management Ltd, which is owned by Hochrein’s Enterpayment AG.

The screenshot shows the Bundesanzeiger website with the following details:

- Notes to the 2006 financial year**
- I. General**: The present financial statements in accordance with the provisions of §§ 242 et seq. And §§ 264 et seq. HGB. As a small private company as defined in § 264a HGB. V. m. § 267 para. 1 HGB we take the size-dependent facilitation pursuant to §§ 274 and 280 HGB.
- II. Accounting and valuation principles**: Other provisions cover all identifiable risks and uncertain obligations. The remaining assets and liabilities are stated at nominal value or repayment amount.
- III. Other Information**
- General partner:** General partner of the Company is the EPF Management Ltd., Birmingham
- Managing:** The company is managed by the general partner. Managing Director of EPF Management Ltd., Birmingham is Mr. Freddy Kalder, Kaufmann.

Key information from the filing:

- name**: EPF Ltd. & Co KG Wiesbaden
- Area**: Accounting / Financial reports
- Information**: Annual Financial Statements as at 31.12.2006
- V. Date**: 08.05.2008
- Wiesbaden, 31.10.2007**
- Freddy Kalder**
- EPF Ltd. & Co KG**
- Wiesbaden**

Figure 34 EPF Ltd & Co. KG filing at Bundesanzeiger showing EPF Management Limited as a partner company

¹⁰⁸ International Payment Systems Corporation was one of two companies cited in the U.S. Secret Service report that was identified by Wells Fargo Financial Intelligence Unit as involved in unlawful wire transfers of millions of dollars to U.S. citizens.

¹⁰⁹ Criminal Complaint United States District Court - United States of America Vs. Michael Olaf Schuett – Section 26

Companies House
— for the record —

363a(ef)

Company Name:	EPF MANAGEMENT LIMITED				
Company Number:	05803705				
Received for filing in Electronic Format on the: 07/06/2007					
Company Details					
Period Ending: 03/05/2007					
Full Details of Shareholders					
<p>The details below relate to individuals / corporate bodies that were shareholders as at 03/05/2007, or that had ceased to be shareholders since the made up date of the previous Annual Return.</p> <p><i>Shareholding 1:</i></p> <p>100 ORDINARY Shares held as at 03/05/2007</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Name:</td> <td>ENTERPAYMENT AG</td> </tr> <tr> <td>Address:</td> <td>HAGENAUER STRASSE 47 65203 WIESBADEN GERMANY</td> </tr> </table>		Name:	ENTERPAYMENT AG	Address:	HAGENAUER STRASSE 47 65203 WIESBADEN GERMANY
Name:	ENTERPAYMENT AG				
Address:	HAGENAUER STRASSE 47 65203 WIESBADEN GERMANY				

The screenshot shows the Wayback Machine interface with the URL <http://enterpayment.com/>. The page features the 'enter payment' logo with the tagline 'smart way to pay online!'. It includes a navigation bar with links for 'PRODUCTS', 'CONTACT', 'IMPRINT', and 'GTC'. Below the navigation is a banner with a smiling man and the text 'fast and simple your smart way to pay online!' followed by a yellow button labeled 'MORE INFORMATION'. There are two smaller images: one of a group of people labeled 'merchant' and another of a woman labeled 'user'. Below these are two login forms: 'merchant service area' and 'user service area', each with fields for 'merchantID' or 'username', 'password', and 'postcode/ zip', along with 'LOGIN' buttons. A note at the bottom states 'enterpayment, smart way to pay online are registered trademarks of the enterpayment AG'.

Figure 35 EPF Management Ltd, the general partner to EPF Ltd Co & KG, a company transferring monies to Kalder and Schütt's IPS Corp in Florida. EPF Management Ltd owned by Hochrein & Backhaus' Enterpayment

690

The consultant and former Chairman of the Board link raises questions and concerns:

- We believe this is additional evidence that brings into question the conduct of the board throughout the history of Wirecard.
- Again we establish Wirecard's involvement in a convoluted structure with a former board member and consultant, Hochrein.
- The serious irregularities raises questions not only for the ability of the current board, but overall incapability to protect shareholder interests.
- Evidence shows that Enterpayment AG, as the ultimate parent company, and its officers orchestrated the wire transfer of unlawful online poker gaming related monies (or other unlawful related monies) into the United States.

Remarkably, Michael Schütt is back in business, in Florida, incorporating companies.¹¹⁰

¹¹⁰ [US AG 24 Inc. filings at Florida Department of State Divisions of Corporations](#)

2015 FLORIDA PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# P06000059078

Entity Name: US AG 24 INC

Current Principal Place of Business:

3001 ROCKY POINT DRIVE
2ND FLOOR
TAMPA, FL 33607

FILED
Jan 25, 2015
Secretary of State
CC1909468644

Current Mailing Address:

3001 ROCKY POINT DRIVE
2ND FLOOR
TAMPA, FL 33607 US

FEI Number: 20-4876109

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

US 24 GROUP LLC
3001 ROCKY POINT DRIVE
2ND FLOOR
TAMPA, FL 33607 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Officer/Director Detail :

Title	PRESIDENT
Name	SCHUETT, MICHAEL
Address	3001 ROCKY POINT DRIVE
City-State-Zip:	TAMPA FL 33607

Figure 36 US AG 24 Inc. 2015 filing by Michael Schütt ¹¹¹

Schütt is back in business - regulators and criminal investigators will be keen to ascertain if further illegal monies have been wire transferred from Wirecard Bank to Florida?

After all, old habits die hard!

¹¹¹ [2015 Filings for US AG 24 Inc. filings at Florida Department of State Divisions of Corporations \(PDF\)](#)

700

Evidence suggesting Wirecard is still facilitating online gambling by U.S. citizens

The evidence presented is an extra of a significant number of items of evidence gathered that shows Wirecard continues to illegally facilitate and process online gambling by U.S. citizens. Further items of evidence have been submitted to certain authorities and agencies.

Evidence reveals that:

- Wirecard is continuing to support online casinos that are US facing – specifically Club Casino World.
- **Fermoya Ltd and BMIE Ltd** were reported as the shareholders to Wire Card UK and Bluetool.
- **Fermoya and BMIE** are shareholders to numerous other companies, all typically registered to residential addresses in Consett, County Durham, United Kingdom.
- There is a common theme: **POKER**
- One of the **Fermoya & BMIE companies was Bluemay Enterprises**, revealed to be a front for an online gambling company, 7red.com.
- When ‘struck-off’ the UK companies register, **Bluemay, was found to have €36 million in Wirecard bank account** – showing Fermoya and BMIE were also banking with Wirecard Bank.
- At least two companies registered in Consett, County Durham (Bluetool and Bluemay) have handled payments totaling tens of millions of dollars (or Euros).
- The implications for investors are:
 - Wirecard continues to engage with high risk customers who are *actively seeking US customers*.
 - Wirecard Bank holds accounts for entities that lack appropriate authorizations for online gaming in countries such as Holland and Israel.

The evidence in figure 37 (next page)reveals¹¹²:

- 710
1. Club World Casino is a U.S. facing casino accepting “*players from throughout the world and also from the United States. This online casino offers easy banking and local currency options to US casino players.*”
 2. “***The casino's credit card working system was formulated by Wirecard which is one of the foremost transaction providers across the Internet to date.***”

The implication is that Wirecard is conducting, controlling and managing Club World Casino's illegal online gambling payments in the United States.

¹¹² [A timestamp of this page has been saved to the Wayback machine as of February 6, 2016 and can be accessed via this link.](#)

Club World Casino



Club World Casino is an online casino operated by the Club World group that is known as Club USA Casino. Licensed by the Netherlands Antilles government, Club World Casino entered the market with its faster withdrawal schemes and ample bonuses.

★★★☆☆
Rating: 4.7/5

Visit Casino





Overview

The casino is powered by the Real Time Gaming software and has a fine collection of games, brilliant customer service, and a trustworthy set of banking methods. The casino accepts players from throughout the world and also from United States. This online casino offers easy banking and local currency options to US casino players.

Promotions

- All new players can join in the action with Club World Casino's welcome bonus. This 1st deposit bonus is a 100% match bonus worth up to \$777.
- Players can receive a 10% match bonus on all of their deposits if they employ the favored deposit methods.
- If you have friends who also wish to play online casino games, then you can refer them to Club World Casino to receive bonuses up to 20% of all of their deposits.

Softwares

Club World Casino is powered by Real Time Gaming Software. The software is accessible in both Downloadable and Flash versions. The software is hasty and it also provides first-class graphics and sound. The software offers a massive collection of popular online casinos games in the whole industry. The grouping of game performance and software speed makes it popular among US online casinos.

Games

The game selection is great at Club World Casino, offering a broad array of over 100 online casino games. These comprise Golden Retriever, Warlock's Spell, Crazy Vegas, Lucky 8's Scratch Cards, Medal Tally, Pinocchio, 42 Video Slots, 16 Reel Slots, 5 Poker Games, 17 Video Poker Games, 6 Blackjack Games, 42 Video Slots, American and European Roulette, Sic Bo, Craps, Baccarat, War and Keno with 11 Progressive Jackpots. Video Poker games vary up to 100 Hand varieties. The casino recently launched 2 brand new online slots - Jackpot Pinatas and Field of Green.

Security

Club World Casino gives priority to the security of its player's transactions. All transactions with the casino are carried on by an SSL connection, demonstrated by Secure Server Certification Authority named Verisign. The casino's credit card working system was formulated by WireCard which is one of the foremost transaction providers across the Internet to date.

Figure 37 Club World US facing casinos with Wirecard providing the credit card system

The Consett Poker Club

720

Listed in the table (below), is just a small sample of some of the companies registered with **Fermoya Ltd** and **BMIE Ltd** as the shareholders, which were the same shareholders as that of **Wire Card UK Ltd**¹¹³. We believe these businesses relate to poker companies and/or poker players; some of the latter who are/or have been resident in the United States. Thirty such companies are listed. **Most of these companies remain active.**

THE CONSETT POKER CLUB - JUST A FEW OF THE COMPANIES REGISTERED TO RESIDENTIAL ADDRESSES IN CONSETT, COUNTY DURHAM, WITH SIMILAR NAMES TO POKER PLAYERS OR RELATED

Officer	Company	Surmised poker player/profile	Location	Registration No.	Status	Incorporated	Dissolved	Shareholders
1	Simon Dowson	Pentroy Ventures Ltd	Troy Smith	06841838	Dissolved	Mar 2009	Jan 2013	F&B
2	Simon Dowson	Neo-Win Corporation	Neowin	06608998	Dissolved	Jun 2008	Feb 2013	Neo-Win Corporation N.V. Ltd
3	Simon Dowson	Hibbard Investments Ltd	Numerous Hibbards	06736670	Active	Oct 2008		F&B
4	Simon Dowson	Boreham Inc Limited	Numerous Borehams	06736700	Active	Oct 2008		F&B
5	Simon Dowson	Devil Wheel Enterprises Ltd	Possibly New York Rangers ownership (see text)	06804702	Dissolved	Jan 2009	Apr 2012	rand Kruger SA & Nyngrys & Cyber Consultations Inc.
6	Simon Dowson	Lozano Ltd	Roland Lozano	06994563	Active	Aug 2009		F&B&M&H
7	Simon Dowson	Maze Investments Limited	Mark Maze	04570931	Active	Oct 2002		F&B&M&H
8	Simon Dowson	Vago Trading Ltd	Timothy Vago/Vago	06879490	Active	Apr 2009		F&B&M&H
9	Simon Dowson	Harbour Walk Networks Ltd	Kory Harbour	07974075	Active	Mar 2012		M&H
10	Simon Dowson	Brainard Entertainment Ltd	David Brainard	07061044	Active	Oct 2009		F&B&M&H
11	Simon Dowson	Adermatt Entertainment Ltd	Alexander Adermatt	06811189	Active	Feb 2009		F&B&M&H
12	Simon Dowson	Shaler Enterprises Limited	Blair Griffiths	06702335	Active	Sep 2008		F&B&M&H
13	Simon Dowson	Demarest Inc Limited	Bruce Demarest	06702332	Active	Sep 2008		F&B&M&H
14	Simon Dowson	Madora Trading Ltd	Albert Madora	06720035	Active	Oct 2008		F&B&M&H
15	Simon Dowson	Myrtle Trading Ltd	Myrtle Otto	06702519	Active	Sep 2008		F&B&M&H
16	Simon Dowson	Breck Investments Ltd	Breck Schwartz	06719887	Active	Oct 2008		F&B&M&H
17	Simon Dowson	Bleeker Inc Ltd	Michael Bleeker	06702158	Active	Sep 2008		F&B&M&H
18	Simon Dowson	Ogden Trade Ltd	Joseph Ogden	06702230	Active	Sep 2008		F&B&M&H
19	Craig Tate	Dellmax Services Limited	Maxwell Liddell/Dellmax	05914525	Dissolved	Aug 2006	Mar 2009	F&B
20	Craig Tate	Ventura Solutions Ltd	Diego Ventura	06717457	Dissolved	Oct 2007	Oct 2010	Blue Star Media Ltd
21	Craig Tate	Manitou Trading Limited	Big Manitou or Manitou	06732161	Active	Oct 2008		F&B&M&H
22	Angela Thompson	Soroush Trading Limited	Soroush Manavi	04504308	Active	Aug 2002		M&H
23	Angela Thompson	Dresher Limited	Daniel Dresher	04570260	Active	Oct 2002		F&B
24	Angela Thompson	Foch Entertainment Limited	Mal Foch	07061155	Active	Oct 2009		F&B&M&H
25	Angela Thompson	Bazan Trading Limited	Numerous Bazans	06994637	Active	Aug 2009		F&B&M&H
26	Angela Thompson	Markley Enterprises Ltd	Jim Markely	06994532	Active	Aug 2009		F&B&M&H
27	Angela Thompson	Halsey Investments Ltd	Mason Halsey	06802983	Active	Jan 2009		F&B&M&H
28	Angela Thompson	Canales Entertainment Ltd	Andres Canales	06994007	Active	Aug 2009		F&B&M&H
29	Angela Thompson	Medina Networks Ltd	Samuel Medina Jr	06994692	Active	Aug 2009		F&B&M&H
30	Angela Thompson	Rockne Publications Limited	Peter Rockne	07061143	Active	Oct 2009		F&B&M&H

Source: Companies House, The Hendon Mob

F&B = Fermoya Ltd & B.M.I.E Ltd

M&H = Merlin Holdings Ltd (Seychelles) & Highgate Holdings Ltd (Seychelles)

F&B&M&H = Fermoya Ltd & B.M.I.E Ltd now Merlin Holdings Ltd (Seychelles) & Highgate Holdings Ltd (Seychelles)

Figure 38 The Consett Poker Club

Bluemay Enterprises: a Fermoya and BMIE company

Bluemay Enterprises Limited ("Bluemay") was a UK company incorporated March 12, 2010. It was placed into insolvency December 23, 2013 by the Insolvency Service¹¹⁴, subsequent to a petition by the UK's Secretary of State for Business, Innovation and Skills.

730

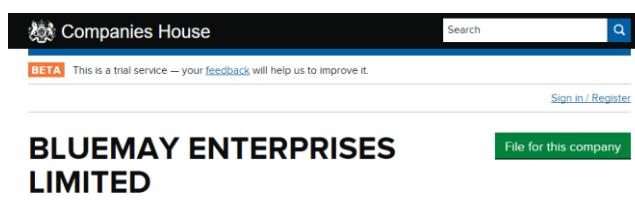


Figure 39 Bluemay Enterprises: A front for 7red.com, an online gambling site, and with the same shareholders as Wire Card UK and Bluetool

¹¹³ Where Merlin Holdings Ltd or Highgate Holdings Ltd is detailed, this is due to a record of transfer of ownership from Fermoya and BMIE to Merlin and Highgate.

¹¹⁴ UK Insolvency Service - Bluemay Enterprises Limited No. 07187480

Bluemay - A Front for Online Gambling Company, 7red.Com

The insolvency order revealed.

- Bluemay's ownership changed hands four times in the run up to its insolvency. Fermoya and BMIE were among the reported shareholders.
- Bluemay had entered into an agreement with a principal:

740

"Bluemay Enterprises N.V whereby the former [Bluemay Enterprises Ltd] would hold a website, www.7red.com, on trust for the latter and any income derived from this website is the property of principal.¹¹⁵"

www.7red.com ("7red") is an online gambling website. 7red's CEO is Ido Raviv.

Bluemay (a front for a poker site) had the same shareholders as both
Bluetool (a company violating the Wire Act with Wirecard bank
account) and Wire Card UK (the undisclosed company controlled by
Wirecard's COO Rüdiger Trautmann).



Figure 40 '7red.com' website from the Wayback Machine

750

The insolvency order also revealed:

Unusually for a company, which reported profits of just £478 and £833 to June 30, 2011 and 2012 respectively, Bluemay had held "a company account at Wirecard Bank AG [that] had total credits of €36,259,489.00 between 01 January 2011 and 18 March 2013."¹¹⁶

¹¹⁵ ibid

¹¹⁶ ibid

The evidence suggesting that Wirecard continues to illegally facilitate online gambling by U.S. citizens raises several questions and concerns:

- We believe that Wirecard continues to illegally wire online gambling related monies into the U.S.
- We re-iterate the implications of such actions and conduct - this being significant fines and potential prosecutions.
- The amount held by Bluemay (the front for 7red.com poker site) in a Wirecard Bank account is noteworthy. The UK Insolvency Service showed Bluemay held €36 Million in total credits in a Wirecard Bank account in 2013.
- Wirecard reported total customer deposits of €260 Million held with Wirecard Bank and Wirecard Card Solutions in the year 2013. As such, **Bluemay's credits accounted for up to 14% of Wirecard Bank's total deposit base.**
- We believe that Wirecard Bank's deposit base comprises of significant levels of poker related or other associated high risk transactional deposit - including pharmaceuticals, pornography or higher risk advertising revenues.

770

The ‘Full Tilt Conspiracy’ an exemplar of Wirecard’s *modus operandi*.

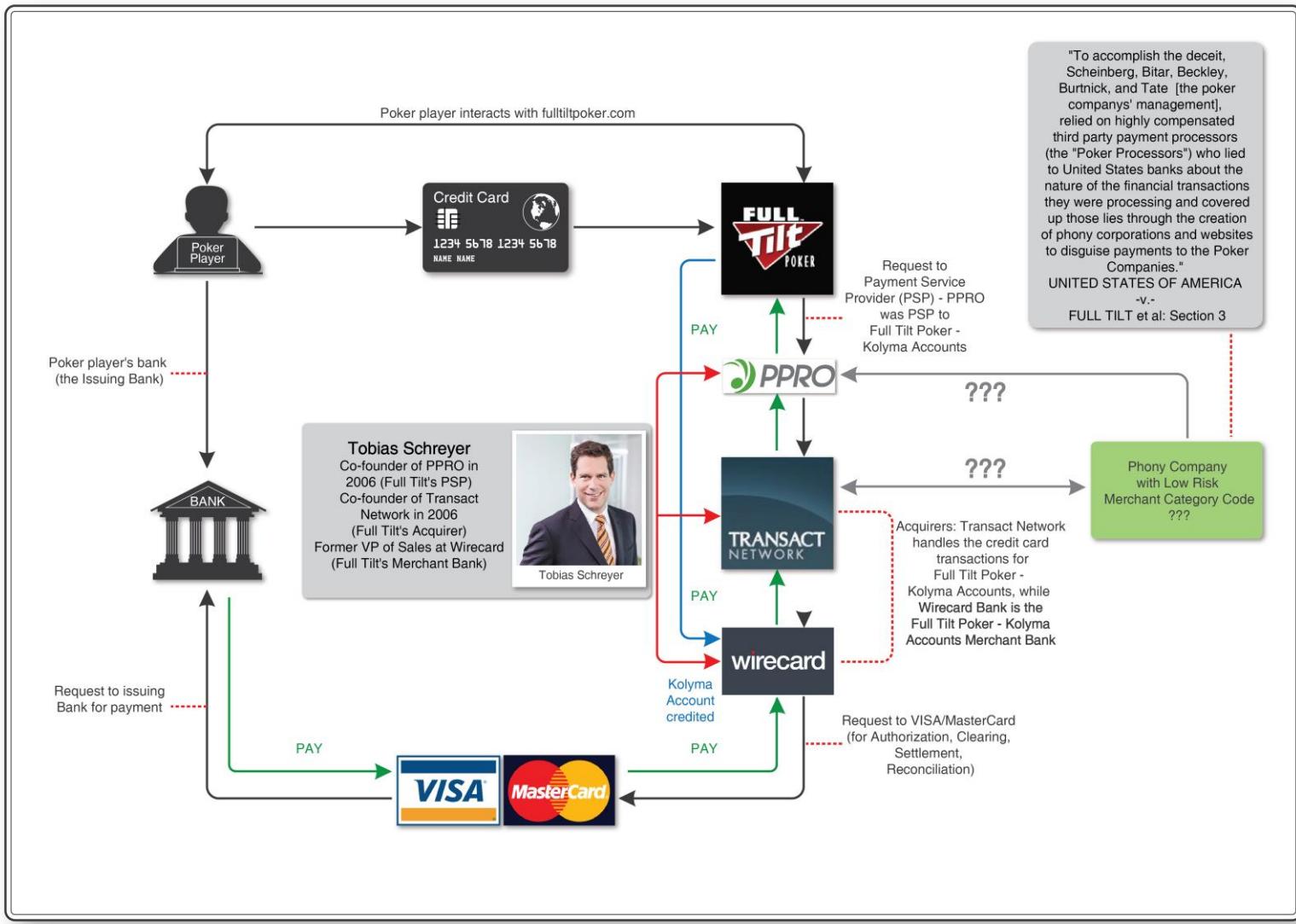


Figure 41 Full Tilt and Wirecard

The ‘Full Tilt Conspiracy’

‘The Full Tilt Poker Conspiracy’¹¹⁷ was a United States federal case (the “Full Tilt Case”) against the founders of the three largest online poker companies, Full Tilt Poker, PokerStars and Cereus (Absolute Poker/Ultimatebet¹¹⁸), and their associates, collectively the (“Poker Companies”).

780
The Poker Companies violated the Unlawful Internet Gambling Enforcement Act (“UIGEA”), engaging in bank fraud and money laundering to receive billions of dollars in online gambling related monies from U.S. residents. They achieved this by disguising payments through hundreds of non-existent online merchants and other phony non-gambling businesses, and via highly compensated third party payment processors (the “Processors”).

Substantive evidence shows a concerted scheme by Wirecard officers and associates, to control, manage, supervise, and direct a significant measure of the money flow of certain of the Poker Companies gambling related monies into and out of the United States.

Evidence reveals that:

1. A Wirecard Bank account was among the principal bank accounts of Full Tilt Poker (the “Kolyma Account”).
2. Wirecard’s former VP of Sales, Tobias Schreyer (“Schreyer”), incorporated Transact Network Ltd that was the Acquirer for Full Tilt’s Kolyma account.
3. Schreyer incorporated PPRO Ltd, which was the Payment Service Provider for Full Tilt’s Kolyma account.

It appears Wirecard, together with its former VP of Sales, provided a full suite of services to Full Tilt for its transfer of online gambling monies into the United States.

790

The Kolyma Accounts and the Full Tilt tripartite service offering

Highlighted in the Full Tilt case was Wirecard Bank, which held the account to one of Full Tilt’s principal entities, the Kolyma Corporation A.V.V. (“Kolyma”)¹¹⁹.

The Kolyma Corporation Accounts

- 7. account numbered E34512308000000007283 held at Wirecard Bank AG, Germany, in the name of Kolyma Corporation, and all funds traceable thereto;
- 8. account numbered E79512308000000007249 held at Wirecard Bank AG, Germany, in the name of Kolyma Corporation, and all funds traceable thereto;

Figure 42 The Full Tilt Kolyma Accounts with Wirecard Bank - Source: ‘Full Tilt Poker Conspiracy’ case file

Evidence shows that Wirecard Bank and its ex VP of Sales, Tobias Schreyer^{120,121,122} provided an all-round service to Kolyma.

¹¹⁷ [Full Tilt Amended Complaint September 20, 2011](#)

¹¹⁸ Ultimatebet was the online poker company cited in the U.S. Secret Service ‘Menster Statement’ as being a poker company advertising how deposits and withdrawals could be facilitated through Wirecard Bank.

¹¹⁹ Ibid.

¹²⁰ [Tobias Schreyer LinkedIn profile](#)

¹²¹ Schreyer’s LinkedIn profile suggests he co-founded Transact Network in 2007, however, his profile on the PPRO site indicates “In 2006, he established Gibraltar-based Transact Network Ltd.”

¹²² Again, Schreyer’s LinkedIn profile contains inconsistent information with the PPRO website. His LinkedIn profile suggests that he joined PPRO as its Chief Commercial Officer in 2011. However, the PPRO website states that “Philipp Nieland and Tobias Schreyer founded PPRO in 2006.”

The LinkedIn profile of Tobias Schreyer shows his professional background. He is currently the Chief Commercial Officer at PPRO Financial Ltd. in London, United Kingdom, specializing in Financial Services. His previous roles include Managing Director and Co-Founder of Transact Network Limited (2007-2011) and Vice President Sales and Business Development at Wirecard AG (2000-2003). He has over 500 connections. The profile also includes sections for Experience, Background, and People Also Viewed.

Figure 43 Tobias Schreyer – former VP Sales and Business Development, Co-Founder of Transact Network Limited, and Co-Founder and Chief Commercial Officer PPRO Financial Ltd

800 A simple Google search of the words: Kolyma & Wirecard reveals among the top ten results:

"MerchantID", "ext-MerchantID", "Ges_MerchantID ...
www.giropay.de/index.php?id=187
 Software wurde von TiltWare LLC entwickelt, einem Unternehmen für Software-Entwicklung und -Lizenzierung aus Los Angeles, USA, und durch die Kolyma ...

Figure 44 Search result no. 9 from Google search 'Kolyma Wirecard'

The above links to an Excel spreadsheet on the giropay.de site¹²³. The spreadsheet reveals the corporate, contact, bank account, bank sort code, IBAN¹²⁴, BIC¹²⁵, acquirer, and PSP¹²⁶, amongst other details for an extensive list of merchants.

It shows Kolyma's:

1. Acquirer as being Transact Network Ltd.
2. Payment Service Provider as being PPRO Ltd.

Hence, while Kolyma's bank account was with Wirecard Bank, Transact Network Ltd provided its acquiring services and PPRO Ltd provided the payment services. Both of these companies are under the control of Wirecard's ex VP of Sales, Schreyer.

We believe PPRO is one of the Payment Service Providers that obscured online gambling transactions for Full Tilt and Wirecard's economic benefit.

¹²³ [Giropay.de- : is a German online payment method that allows merchants to accept payments from consumers over the internet.](http://www.giropay.de/index.php?id=187)

¹²⁴ IBAN: International Bank Account Number

¹²⁵ BIC: Bank Identifier Code

¹²⁶ PSP: Payment Service Provider

The Full Tilt tripartite service offering raises questions and concerns:

Wirecard shareholders, Visa Inc., MasterCard Inc., regulators and investigators may question the complete service offering to Full Tilt by Wirecard Bank and its former VP for Sales, Schreyer and his associated entities.

We believe:

- That this tripartite arrangement between Wirecard and its close associates, was a concerted scheme to control, manage, supervise, and direct the entire money flow of Full Tilt's Kolyma associated operations.
- Transact Network and PPRO were used to obfuscate Full Tilt's payment transactions to obscure their relation to online gambling to both Full Tilt's and Wirecard's economic benefit.

The implication of this scheme is that Wirecard and its associates used fraudulent methods to process payments and evade U.S. restrictions on internet gambling. Further, that Visa and MasterCard were defrauded.

Inatec and its connection to the Full Tilt Poker Conspiracy

820

- Another payment processor, Inatec GmbH (“Inatec”), was a processor for Full Tilt, specifically highlighted in the Full Tilt Case.

There is substantive evidence to suggest that Inatec is under the control of Wirecard. This evidence includes:

- All the evidence points towards Dietmar Knöchelmann and his wife owning Inatec.
- Inatec’s CEO is the spouse, to Dietmar Knöchelmann, the latter being the former CEO to Wirecard Payment Solutions.
- Within a few months of the incorporation of Wirecard Communications Services, the same individual incorporated Inatec Solutions GmbH in Germany.
- A number of senior Wirecard officers were or became either senior officers or advisers to Inatec.
- ‘Whois’ and company filing sites showing Rüdiger Trautmann to be affiliated with Inatec, whilst he was COO of Wirecard.
- Nelson Burtnick, former Director of Payments at Full Tilt and convicted money launderer, is now the COO at Inatec. This may prove of particular concern to Visa and MasterCard, both of which he once defrauded, **as Inatec seems to be under the control of Wirecard.**

In a subsequent filing to the Full Tilt Case¹²⁷, we note that potential claims were highlighted against:

“... former payment processors of the Full Tilt Group including but not limited to, Comtec Consulting Ltd, Solidpay and Inatec.”¹²⁸

Pending and potential claims

Description of Asset	Owned By
Pending legal proceedings commenced in Australia by Kolyma Corporation A.V.V. against Daniel Tzvetkoff, Intabill, Inc., BT Projects Pty Ltd. and Salvatore Sciacca	Kolyma Corporation A.V.V.
<u>Potential claims against former payment processors of the Full Tilt Group including, but not limited to, Comtec Consulting Ltd, Solidpay and Inatec.</u>	Any other entity of the Full Tilt Group

Figure 45 Pending and potential claims against former payment processors of the Full Tilt Group

In August 2003, Nicole Suttner incorporated Inatec Solutions GmbH (“Inatec Solutions”). The same Nicole Suttner incorporated Wirecard Communication Services GmbH (“Wirecard Communications”) three months prior.

¹²⁷ [Stipulation and order of settlement regarding Full Tilt Poker](#)

¹²⁸ Ibid

The same individual incorporated Inatec Solutions and Wirecard Communications within a few months.

15.08.2003

HRB 19958: Inatec Solutions GmbH Leipzig (Emilienstraße 13, 04107 Leipzig). Gesellschaft mit beschränkter Haftung. Gesellschaftsvertrag vom 19.02.2003. Die Gesellschafterversammlung vom 28.05.2003 hat die Änderung des Gesellschaftsvertrages in den §§ 1 (Firma, bisher Ganymed Zweihunderunddreißigste Vermögensverwaltungs GmbH und Sitz, bisher Frankfurt am Main, Amtsgericht Frankfurt am Main HRB 56509) sowie 2 (Gegenstand des Unternehmens) beschlossen.
 Gegenstand des Unternehmens: technische Zahlungsabwicklung durch Betreiben eines 'Payment Gateways' und kaufmännische Zahlungsabwicklung, z. B. durch den Kauf und Verkauf von Forderungen von Kunden, Durchführung von Online Zahlungen, die auch die Vermietung des Zugangs zu diesem Gateway erfasst, ferner Durchführung und Vertrieb von Beratungsleistungen, Software, Schulung und Betreuungsleistungen im Zusammenhang mit diesem Gateway. Die Gesellschaft darf auch Software anderer Unternehmen gegen Erstattung von Lizenzgebühren vertreiben.
 Stammkapital: 25.000,00 EUR. Ist nur ein Geschäftsführer bestellt, so vertritt er die Gesellschaft allein. Sind mehrere Geschäftsführer bestellt, so wird die Gesellschaft durch zwei Geschäftsführer oder durch einen Geschäftsführer gemeinsam mit einem Prokurren vertreten.
 Bestellt Geschäftsführer: Fischer Jens, Leipzig; Kiessler Helge Jan, Frankfurt am Main, jeweils einzeltvertretungsberechtigt; mit der Befugnis im Namen der Gesellschaft mit sich im eigenen Namen oder als Vertreter eines Dritten Rechtsgeschäfte abzuschließen.
 Ausgeschieden Geschäftsführer: Suttner Nicole, Wachtberg. Als nicht eingetragen wird veröffentlicht: Die Bekanntmachungen der Gesellschaft erfolgen nur im Bundesanzeiger.



Nicole Suttner, Wirecard Communication Services GmbH

Nicole Suttner in Wachtberg ist seit Mai 2003 Geschäftsführerin der Wirecard Communication Services GmbH. Als Geschäftsführerin ist sie mit der Führung des Unternehmens betraut.

Funktion	Amtsdauer (seit / von - bis)	Alter (Geburtsdatum)
Geschäftsführerin	Amtsdauer anzeigen	Alter anzeigen

Weitere Treffer zu Nicole Suttner anzeigen

Registerbekanntmachungen zu Nicole Suttner

26.06.2003

HRB 14767: Matterhorn 271. V V GmbH München (Eisenhof/Eisenstr. 3, 80335 München).

Ausgeschieden: Suttner Nicole, Wachtberg.
 Bestellt: Geschäftsführer Bruckmeier Franz, München, .
 Gesamtkontrakt gemeinsam mit einem Geschäftsführer oder einem anderen Prokurren: Ragaller Jürgen, Germering, ; Görres Andrea, Emmering, .

07.05.2003

HRB 14767: Matterhorn 271. V V GmbH München (Eisenhof/Eisenstr. 3, 80335 München). Gesellschaft mit beschränkter Haftung. Gesellschaftsvertrag vom 29.04.2003.

Gegenstand des Unternehmens: Verwaltung eigener Vermögenswerte.
 Stammkapital: 25.000,00 EUR. Ist nur ein Geschäftsführer bestellt, so vertritt er die Gesellschaft allein. Sind mehrere Geschäftsführer bestellt, so wird die Gesellschaft durch zwei Geschäftsführer oder durch einen Geschäftsführer gemeinsam mit einem Prokurren vertreten.
 Geschäftsführer: Suttner Nicole, Wachtberg Nicht eingetragen:
 Bekanntmachungsblatt ist der Bundesanzeiger.

Figure 46 Nicole Suttner incorporated Inatec Solutions in August 2003, three months after she had incorporated Wirecard Communication Services in May 2003

Inatec Solutions' CEOs include former suspected money launderers¹²⁹, Wirecard former officers, wives of alleged money launderers and former Wirecard officers. Further, its current COO is a convicted money launderer and defrauder of Visa Inc. and MasterCard Inc.

Inatec Solutions has had a number of CEOs

In or around 2007, **Mike Hansch** became CEO¹³⁰, at the same time he was also the CEO of Betonusa AG¹³¹, which owned an online gambling website, betonusa.com. According to various press articles, Mike Hansch was investigated for money laundering in 2004 and went on to incarceration in Germany for tax related issues¹³².

¹²⁹ [Mike Hansch the former CEO to BetOnUSA AG was investigated for money laundering in 2004. He allegedly went on to be convicted and incarcerated for tax related issues sometime after 2007.](#)

¹³⁰ [Mike Hansch CEO at Inatec Solutions: 2007](#)

¹³¹ [Mike Hansch appointed CEO to Betonusa AG: December 2006](#)

¹³² [Bookmakers Review eventually discovered that Mr Hansch had been arrested in Germany and allegedly spent six months in jail for some tax related issues.'](#)

Dietmar Kuhl, formerly Trautmann's employee at Pago eTransaction Services, also at Wirecard, became Managing Director at Inatec in 2007.

 Geschäftsführung Inatec Solutions GmbH

Erfahren Sie mehr über die Geschäftsführung des Unternehmens Inatec Solutions GmbH.
Wer ist aktuell eingetragen und wer hatte früher diese Funktion?

Person	Funktion	Amtsdauer	Alter (Geburtsdatum)	
 Ayizik Fruchtlander Ayelet	Geschäftsführerin	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Fruchtlander Ayelet	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Kießler Helge	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Trautmann Rüdiger	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Fiederling Karl	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Fischer Jens	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Hansch Mike	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Kuhl Dietmar	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Suttner Nicole	Geschäftsführerin	Amtsdauer anzeigen	Alter anzeigen	Mehr
 Wagner Christian	Geschäftsführer	Amtsdauer anzeigen	Alter anzeigen	Mehr

Figure 47 Inatec Solutions CEOs: Nicole Suttner (incorporated Wirecard Communications May 2003 then Inatec Solutions August 2003), Dietmar Kuhl (Wirecard International Sales 2005 to 2007), Rüdiger Trautmann (Wirecard COO 2005 to 2010), Ayelet Fruchtlander (Knöchelmann) (spouse of Wirecard Payment Solutions CEO, Dietmar Knöchelmann), Mike Hansch (CEO of Betonusa AG 2006 to 2007)



Dietmar Kuhl
Worldline - ePayment services
Frankfurt Am Main Area, Germany | Financial Services

Current: Worldline, an atos company
Previous: Worldline GmbH, forumveda UG (haftungsbeschränkt); inatec Solutions GmbH
Education: FH der Deutschen Bundespost, Dieburg

[Send Dietmar InMail](#) 284 connections

Managing Director
inatec Solutions GmbH
October 2007 – March 2011 (3 years 6 months)

inatec is one of the leading service providers for online payment in Europe. Focussed on e-Payment, inatec not only relays payment transactions. With an intelligent risk management, inatec provides modern solutions against fraud and enables companies to reach out to new markets.

International Sales
Wirecard AG
July 2005 – September 2007 (2 years 3 months)

Key Account Management
International Client Management

Product Manager
Pago eTransaction Services GmbH
April 2000 – July 2005 (5 years 4 months)

Customer related services, credit check, sociodemographic buying power decision, MAESTRO implementation

wirecard

Figure 48 Dietmar Kuhl, former employee of Trautmann at Pago eTransaction, then also at Wirecard, before joining Inatec

860

Trautmann's arrival

Filings at Bundesanzeiger show Dietmar Kuhl left Inatec when the former Wirecard COO, Trautmann joined on January 31, 2011¹³³.

An internet source suggests that Trautmann has been an officer of Inatec Payment AG since March 2009¹³⁴, while he was in office at Wirecard.

Supporting evidence by way of the 'Whols' data shows that the inatecpayment.com domain was created in March 2009, with Trautmann as the admin contact¹³⁵.

Marimune¹³⁶ is a Visa and MasterCard branded prepaid card offered by Inatec Payment AG. Further, Powercash21¹³⁷ is a payment processor again licensed by MasterCard and Visa Europe. It is unclear if Powercash21 is affiliated with Inatec, however, the 'Whols' data for powercash21.com¹³⁸ shows that the domain was created in April 2000 and that Trautmann is the admin contact.

870

Further, that both Trautmann and Knöchelmann are officers to a Cypriot registered Powercash21 Limited. Hence, evidence suggests that Powercash21 has been in existence while both Trautmann and Knöchelmann were in office at Wirecard.

Place of origin:	Germany
Place of residence:	Kronberg Change
Show other Rüdiger Trautmann	
Top mandate:	president of Inatec Payment AG
Industry focus:	Data processing, hosting and related activities

[See credit traffic light](#)

Learn whether the traffic light for creditworthiness at Rüdiger Trautmann is green, yellow or red?

[See credit traffic light](#)

Survey	Survey
Creditworthiness	new
Career	Overview over the most important details of Rüdiger Trautmann.
Investments (2)	Professional career
Connections	These are the latest professional stations of Rüdiger Trautmann:
Board of Directors (1)	since March 2009: president of Inatec Payment AG
Authorised to sign (3)	since December 2008: shareholder of Istart GmbH

Figure 49 Moneyhouse.ch information suggesting that Trautmann has been at Inatec since March 2009, whilst still in office and a Member of the Board at Wirecard

¹³³ [Filings at Bundesanzeiger and shown in the supporting evidence below, show that Trautmann took over at Inatec Solutions AG from Dietmar Kuhl.](#): Kuhl was employed by Wirecard AG as an International Sales manager from July 2005 until September 2007. Prior to this Kuhl was a Product Manager at Pago eTransaction Services GmbH from April 2000 until July 2005. Trautmann was CEO of Pago eTransaction Services GmbH until in or around July 2005.

¹³⁴ [Moneyhouse information on Rüdiger Trautmann](#)

¹³⁵ [Inatecpayment.com 'Whols' information](#)

¹³⁶ [Marimune website](#)

¹³⁷ [Powercash21 website](#)

¹³⁸ [Whols data for powercash21 domain](#)

Evidence shows that Rüdiger Trautmann was at Inatec from April 2000 to March 2009 in Figure 49, he gave his contact details and company information for inatecpayment.com and powercash21.com in Whois data.

Whois information

Domain Name: inatecpayment.com
Registry Domain ID: 1547945879_DOMAIN_COM-VRSN
Registrar WHOIS Server: whois.antagus.de
Registrar URL: http://www.vautron.de
Updated Date: 2015-03-21T04:00:19Z
Creation Date: 2009-03-19T08:46:50Z
Registrar Registration Expiration Date: 2016-03-19T00:00:00Z
Registrar: Vautron Rechenzentrum AG
Registrar IANA ID: 1443
Registrar Abuse Contact Email: abuse@vautron.de
Registrar Abuse Contact Phone: +49.9415990570
Domain Status: ok
Registry Registrant ID:
Registrant Name:
Registrant Organization: Inatec Solutions GmbH
Registrant Street: Hanauer Landstrasse 161-173
Registrant City: Frankfurt
Registrant State/Province: Hessen
Registrant Postal Code: 60314
Registrant Country: DE
Registrant Phone: +49.699434090
Registrant Phone Ext:
Registrant Fax:
Registrant Fax Ext:
Registrant Email: hostmaster@inatec.com
Registry Admin ID:
Admin Name: Rüdiger Trautmann
Admin Organization: Inatec Solutions GmbH

Whois information

Domain Name: powercash21.com
Registry Domain ID: 24670529_DOMAIN_COM-VRSN
Registrar WHOIS Server: whois.antagus.de
Registrar URL: http://www.vautron.de
Updated Date: 2015-04-13T04:02:20Z
Creation Date: 2000-04-11T11:53:12Z
Registrar Registration Expiration Date: 2016-04-11T00:00:00Z
Registrar: Vautron Rechenzentrum AG
Registrar IANA ID: 1443
Registrar Abuse Contact Email: abuse@vautron.de
Registrar Abuse Contact Phone: +49.9415990570
Domain Status: ok
Registry Registrant ID:
Registrant Name:
Registrant Organization: Inatec Solutions GmbH
Registrant Street: Hanauer Landstrasse 161-173
Registrant City: Frankfurt
Registrant State/Province: Hessen
Registrant Postal Code: 60314
Registrant Country: DE
Registrant Phone: +49.699434090
Registrant Phone Ext:
Registrant Fax:
Registrant Fax Ext:
Registrant Email: hostmaster@inatec.com
Registry Admin ID:
Admin Name: Rüdiger Trautmann
Admin Organization: Inatec Solutions GmbH

Figure 50 Whois data showing that the inatecpayment.com domain (see below for information on Powercash21 and the Cypriot entities) was created in April 2000 and that Trautmann is the admin contact

Ayizik/Ayelet Fruchtlander/Knöchelmann

Ayizik Fruchtlander joined Inatec in February 2009. Ayizik Fruchtlander (also known as Ayelet Fruchtlander or Ayelet Knöchelmann) is Dietmar Knöchelmann's wife.

C. Sonstige Angaben

Geschäftsführungsorgane

Im Berichtsjahr wurden die Geschäfte der Gesellschaft von Herrn Dietmar Kuhl (Kaufmann), Frau Ayizik Fruchtlander (Kauffrau) geführt. Mit Gesellschafterbeschluss vom 31.1.2011 wurde Herr Dietmar Kuhl als Geschäftsführer abbestellt und Herr Rüdiger Trautmann (Kaufmann) mit sofortiger Wirkung zum weiteren Geschäftsführer bestellt. Außer den Geschäftsführern waren im Berichtsjahr keine weiteren Organe bestellt[3].

Frankfurt, den 13.11.2011

Die Geschäftsführer:

Rüdiger Trautmann

Ayizik Fruchtlander

GOOGLE TRANSLATION BELOW

C. Other Information

Management bodies

In the reporting period the company's business by Mr Dietmar Kuhl (Kaufmann), women were led Fruchtlander Ayizik (clerk). With shareholders' resolution dated 31.1.2011 Mr Dietmar Kuhl was canceled as General Manager and Mr. Rüdiger Trautmann (Kaufmann) with immediate effect an additional managing director. In addition to the directors no further bodies in the reporting year ordered [3].

Frankfurt, 13.11.2011

The CEO:

Rüdiger Trautmann

Ayizik fruit Lander

Figure 51 Rüdiger Trautmann officially appointed to Inatec Solutions in January 2011, Ayizik Fruchtlander is also Ayelet Knöchelmann, also Director of Sales to CAL (Israeli credit card issuer) and we believe to be the spouse of Dietmar Knöchelmann, an individual awaiting prosecution by the Israeli Judiciary in relation to money laundering at CAL

890

Curiously, Ayizik Fruchtlander (Knöchelmann) has several LinkedIn profiles¹³⁹. One suggests that she joined Cal International in July 1991 and left in February 2009, another indicates she joined Cal International in 2005 and is still with the company.

Cal International is the company at which Dietmar Knöchelmann committed money laundering and corporate fraud offences, specifically defrauding Visa and MasterCard¹⁴⁰.

Ayelet (Fruchtlander) Knoechelmann
Inatec Payment AG

Israel | Information Technology and Services

Current	Inatec Payment AG
Previous	cal
Education	Tel Aviv University

[Send Ayelet InMail](#)

Background

Experience

Consultant
Inatec Payment AG
February 2009 – Present (7 years)

Director of Sales and Customer Relations, Cal International
cal
July 1991 – February 2009 (17 years 8 months)

Ayelet Fruchtlander
Director of Sales and Customer Relations at Cal-intl
Israel | Banking

Current Cal-intl

[Send Ayelet InMail](#)

Contact Info

Background

Experience

Director of Sales and Customer Relations
Cal-intl

Director of Sales and Customer Relations
Israel Credit Cards (Cal-intl)
2005 – Present (11 years)

Figure 52 Two LinkedIn profiles for Ayelet Fruchtlander. One suggests she left Cal International in 2009, the other indicates she continues to work for Cal International

Further Money Launderers Associated with Inatec: Nelson B. and Nelson Burtnick.

900

Nelson B. is Chief Operating Officer at Inatec Payment GmbH.

Nelson B.
Chief Operating Officer at Inatec Payment GmbH

Frankfurt Am Main Area, Germany | Internet

Previous	Pocket Kings Ltd., REEL Ltd.
Education	University of British Columbia Sauder School of Business

[Send Nelson InMail](#)

Background

Experience

Chief Operating Officer
Inatec Payment GmbH
August 2013 – Present (2 years 6 months) | Frankfurt Am Main Area, Germany

The Inatec Payments Group is an International conglomerate specializing in e-commerce for online merchants. Inatec's suite of payment software and solutions enables its merchants to transact in their local currencies with globally recognized payment brands. Inatec's risk management, reporting, software and processes ensure that its merchants have reliable online tools to assist with the financial management of their business.

Director of Payments
Pocket Kings Ltd.
February 2009 – August 2012 (3 years 7 months) | Ireland

Nelson Burtnick
Owner, Business Intelligent Processing Systems PLC

Isle of Man, United Kingdom | Information Technology and Services

Current	Business Intelligent Processing Systems PLC
Previous	Copeland, Burtnick & Associates Ltd.
Education	University of Northern British Columbia

[Send Nelson InMail](#)

Background

Summary

Specialties E-commerce, International card processing, card processing security, card issuing, software development

Experience

CoFounder, CEO
Business Intelligent Processing Systems PLC
May 2006 – Present (9 years 9 months)
<http://www.ibips.com>

CoFounder and CEO
Copeland, Burtnick & Associates Ltd.
January 1997 – September 2005 (8 years 9 months)

Figure 53 Nelson B. COO at Inatec and Nelson Burtnick Owner of Business Intelligent Processing Systems

The B stands for Burtnick. Nelson Burtnick was a principal agent in the 'Full Tilt Conspiracy', and is a convicted money launderer.

¹³⁹ [One of Ayelet Fruchtlander's LinkedIn profiles](#)

¹⁴⁰ Alleged by the Israeli Attorney General

Inatec is an approved member agent and compliant service provider of Visa Europe¹⁴¹, and MasterCard Inc.¹⁴², respectively.

The screenshot shows the official website of the Federal Bureau of Investigation (FBI) New York Field Office. At the top, the FBI logo and seal are displayed. The main navigation menu includes links for REPORT THREATS, A-Z INDEX, SITE MAP, CONTACT US, ABOUT US, MOST WANTED, NEWS, STATS & SERVICES, SCAMS & SAFETY, JOBS, and FUN & GAMES. Below the menu, there is a search bar labeled "Search Site" with a "SEARCH" button. A "Select Language" dropdown and a "Get FBI Updates" link are also present. The main content area features a headline: "Online Poker Executive Pleads Guilty in Manhattan Federal Court to Money Laundering, Bank Fraud, and Internet Gambling Offenses". Below the headline, it says "U.S. Attorney's Office" and "September 19, 2012" on the left, and "Southern District of New York" with the phone number "(212) 637-2600" on the right. The text of the press release discusses Preet Bharara, the United States Attorney for the Southern District of New York, announcing that Nelson Burtnick, a Canadian citizen and resident of Ireland, pled guilty before U.S. Magistrate Judge Gabriel W. Gorenstein. The text highlights that Burtnick previously served as director of payments for Pokerstars and Full Tilt Poker, and was charged with conspiracy to commit unlawful Internet gambling, bank fraud, money laundering, and gambling offenses in connection with a scheme to deceive banks into processing hundreds of millions of dollars of Internet gambling transactions. The text is presented in a clear, professional layout with a mix of bold and regular text for emphasis.

Figure 54 FBI press release regarding Nelson Burtnick pleading guilty to money laundering, bank fraud and unlawful Internet gambling

910 More specifically, the original indictment charge highlighted that¹⁴³ (our emphasis):

8. In order to circumvent the Visa and MasterCard regulations and trick U.S. banks into authorizing their internet gambling transactions, RAYMOND BITAR and NELSON BURTNICK, the defendants, worked with others to apply incorrect codes to Full Tilt Poker internet gambling transactions in order to disguise the nature of those transactions and create the false appearance that the transactions were unrelated to internet gambling. As a result of this deception, United States issuing banks were tricked into approving payments for internet gambling that would have automatically been rejected if properly coded.

920

We believe Visa and MasterCard will have concerns that an approved member agent and compliant service provider has a CEO that is married to a money launderer¹⁴⁴ and whose COO, Nelson Burtnick, is a convicted money launderer.

¹⁴¹ [Visa Europe Member Agent List - January 2016](#)

¹⁴² [MasterCard Compliant Server Provider List - 2014](#)

¹⁴³ [United States of America -v- RAYMOND BITAR and NELSON BURTNICK](#)

¹⁴⁴ For which he awaiting prosecution by the Israeli Judiciary

Inatec, the Payment Processor and Links to Money Laundering Raises Several Questions And Concerns:

We believe that Trautmann and Knöchelmann had effective control of Inatec's operations whilst both were in office at Wirecard. This is a further example of Wirecard officers obscuring the payment processing for online gambling and/or high risk merchants, to the economic benefit of themselves. Albeit at significant risk to Wirecard shareholder interests.

Shareholders should have reservations over the relationship between Knöchelmann, Trautmann, Burtnick and Inatec, which clearly existed and conflicts with shareholders' interests.

Are Visa and MasterCard concerned with Wirecard's close association and apparent control of Inatec whose:

- 1. Chairman has links to convicted money launderers.**
- 2. COO is a convicted money launderer.**
- 3. CEO of Inatec is married to Dietmar Knöchelmann, a person awaiting prosecution for money laundering and already subject to an assets seizure order on April 26, 2015 by the Israeli Government¹⁴⁵.**

¹⁴⁵ [The State of Israel v Chechick et al](#)

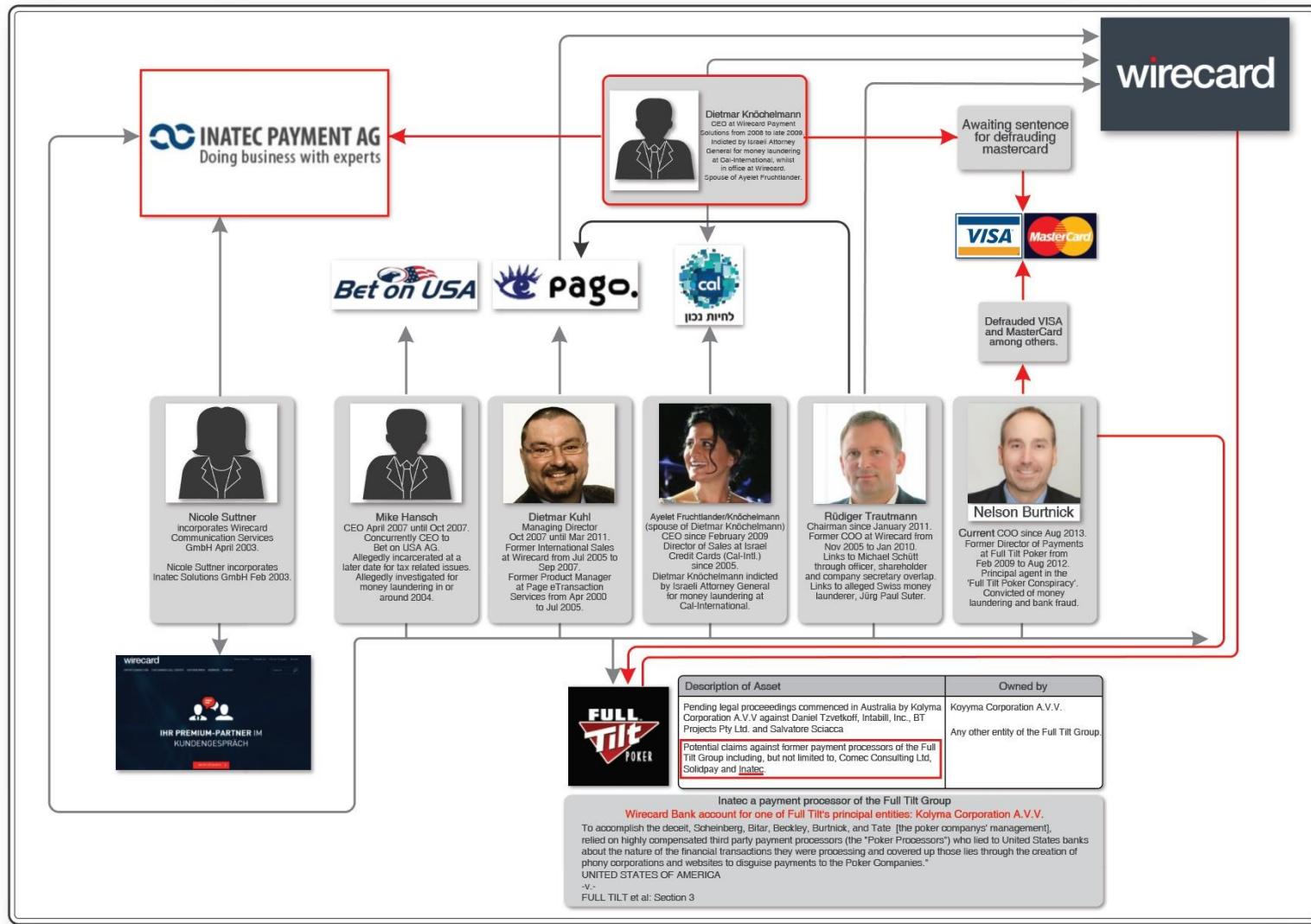


Figure 55 The Inatec timeline

The Current (and ex) CFO Club

- Wirecard has seen four CFOs since 2000, with the exception of one (who lasted less than six weeks) it has kept on very friendly terms with them.
- Alexander Herbst had a Joint Venture with Wirecard (Gibraltar) Ltd, and has ties to the same shareholders as Trautmann's Wire Card UK and online poker companies.
- Maximilian Oppersdorff joined the corporate advisory firm which assisted in Wirecard's reverse IPO, and has continued to do business with Wirecard since.
- Burkhard Ley, prior to his arrival at Wirecard, made his excuses and quietly left months before his former employer Kirch Media became insolvent.
- While not a CFO, evidence shows that Wirecard's current Treasurer, Thorsten Holten had financial arrangements with Wirecard Technologies' former Head of Sales, Torsten Doppler.

The current CFO, Burkhard Ley, fortunately departed his former employer before it went bust. It was one the biggest corporate failures in modern German history.

Alexander Herbst – 2000 to August 2002

Alexander Herbst became CFO to Wirecard in 2000 and left three years later to establish Deutsche Payment A1M GmbH (in Germany) and Deutsche Payment IPSP Ltd (in the UK).

Deutsche Payment IPSP Ltd is a business, which:

- Has undergone five name changes since its incorporation;
- Owned a myriad of UK sub companies during 2006 to 2010. Deutsche Payment IPSP Ltd remains active. Most of the sub companies were dissolved a few months after the U.S. Secret Service investigation into Michael Schütt and Bluetool Ltd.
- Was a joint owner with Wirecard (Gibraltar) Ltd of Oval 2123 Ltd, a company that was also dissolved shortly after the U.S. Secret Service investigation.
- Herbst continues to remain a partner to Wirecard, with a contract with Wirecard Bank AG, which states that the "***the provisions of the European Communities (Payment Services) Regulations 2009 do not apply to the contract and/or the relationship between DP IPSP and the Merchant.***"¹⁴⁶ We believe that aggregation of merchant transactions is occurring to obscure 'high risk' identifiers such as Transaction Country Code and/or Merchant Category Code. Further, that this would seriously test the 'Know Your Client' rules.¹⁴⁷

Alexander Herbst was also an officer to a UK company Trinkbay Accounting Services Ltd:

- With the same shareholders as Bluemay (a front for a poker site), Bluetool (a company violating the Wire Act via its Wirecard bank account) and Wire Card UK (the previously undisclosed company controlled by Wirecard's COO).
- That had the same company secretary as Wire Card UK and Bluetool.

¹⁴⁶ [Deutsche Payment agreement with Wirecard](#)

¹⁴⁷ [The Payment Services Regulations 2009 \(Legislation\)](#)

Dr. Herbert Bäsch – October 1, 2004 to November 10, 2004

At the time of Dr. Bäsch's appointment as a result of the InfoGenie Europe AG capital increase, Wirecard released a statement¹⁴⁸ within which it highlighted:

960

"Dr. Herbert Bäsch will contribute his special commercial qualifications and many years' experience gained in exercising managerial functions in the finance divisions of major corporate groups and small to medium-scale enterprises (SMEs) listed on the stock markets."

Less than six weeks later, either Dr. Bäsch or Wirecard decided Wirecard was not for Dr. Bäsch and he abruptly departed.¹⁴⁹

"In terms of a resolution of September 16, 2004, Dr. Herbert Bäsch was appointed Chief Financial Officer effective as of October 1, 2005 (sic) and dismissed effective as of November 15, 2004."

It is something of a mystery why Dr. Bäsch did not last longer than six weeks.

970

Maximilian Graf von Oppersdorff – January 2005 to December 2005

Maximilian Graf von Oppersdorff ("Oppersdorff") became CFO at Wirecard in January 2005¹⁵⁰. He lasted less than 12 months. However, his dealings with Wirecard continued.

Figure 56 Maximilian Graf von Oppersdorff LinkedIn profile

Oppersdorff left Wirecard in December 2005 and joined Blue Corporate Finance, now known as Quarton International. Quarton is a corporate finance boutique, specializing in mergers and acquisitions, special situations, financing advisory. Wirecard has employed Quarton's services on numerous occasions^{151,152,153,154,155}.

980

In fact, Quarton "advised and supported" Wirecard in its reverse IPO in 2005¹⁵⁶. Thereafter Oppersdorff joined that as advisor¹⁵⁷.

¹⁴⁸ [Source Wirecard - InfoGenie Europe AG plans capital increase by integrating Wire Card AG and making changes to the Management Board](#)

¹⁴⁹ [Source Wirecard: Q3 2004 Quarterly Report \(PDF\)](#)

¹⁵⁰ [Maximilian Graf von Oppersdorff LinkedIn Profile](#)

¹⁵¹ [Source: Quarton International - Consultation Of Wire Card AG With The Purchase Of Xcom Bank AG](#)

[Source: Quarton International - Cash Capital Raise Amounting To EUR 22 MIO Through The Issue Of 6.694.457 New Share Certificates](#)

¹⁵³ [Source: Quarton International - Quarton Advising the Buyer](#)

¹⁵⁴ [Source: Quarton International - Acquisition Of Various Payment Service Provider \(Psp\) For A Total Of EUR 48 MIO](#)

¹⁵⁵ [Source: Quarton International - Wirecard Ag Takes Over E-Credit Plus Pte. Ltd., Singapore](#)

¹⁵⁶ [Source: Quarton International – Wirecard Reverse IPO 2002 – Quarton Advised the Client](#)

¹⁵⁷ A possibility is that Oppersdorff's tenure was a 'marriage of convenience', Dr. Bäsch had abruptly left Wirecard and it would have proven difficult for it to complete a reverse IPO without a CFO.

Burkhard Ley (“Ley”) – became CFO of Wirecard in late 2005 to Present¹⁵⁸.

Burkhard Ley
CFO



01/2006
Member of the Executive Board, Wirecard AG, Munich

2001-2005
Independent Consultant: Strategic Consultancy Financial Service Provider, Corporates, Investment Funds, Private Equity and Corporate Finance [M&A, Equity Capital Markets]

2000-2001
Member of the Executive Board [Finance and Investments], Kirch New Media AG, Munich

1988-2000
Corporate Banking, Corporate Finance /Investment Banking [M&A, IPO, Capital Markets and Investments], and most recently, Director, Sal. Oppenheim jr. & Cie. KGaA, Cologne

1982-1988
Commercial Banking, Credit and Investment Department, Stadt-Sparkasse Solingen

Figure 57 Burkhard Ley profile

In the four years prior to Wirecard, Ley was an independent consultant¹⁵⁹, having walked away prior to one of the biggest corporate collapses in modern German history.

The Kirch Media Scam

A brief synopsis of the Kirch Media Scam is as follows¹⁶⁰:

KirchGruppe (“Kirch Group”) was a German media group, which collapsed in 2002, largely due to the debts associated with the purchase of sports rights for its television channels and the launch of pay-tv services. Kirch Group had three major subsidiaries: Kirch Media, Kirch Pay TV, KirchBeteiligung.

Kirch Media was declared insolvent on April 8, 2002^{161,162}.

Numerous corporate governance issues were cited for Kirch Media’s failure¹⁶³:

- **Impropriety of disclosures:** Kirch Media was vague in its financial disclosures, preserving a considerable amount of opacity. This was to the detriment of stakeholders, who found it difficult to know the company’s true financial position. The organizational and shareholding structure of the firm was convoluted¹⁶⁴.
- **Audit Failure:** KMPG (External Auditor) was unable to assess the company’s increasing debt level.
- **Collateral pledges:** assets were pledged as collateral for loans.
- **Falling profitability:** profits were insufficient to support the loss making units.

¹⁵⁸ [Source: Wirecard - Management Description – Burkhard Ley](#)

¹⁵⁹ [Burkhard Ley - LinkedIn Profile](#)

¹⁶⁰ Further details may be found here: [Entitled: Kirsch Media Scam](#)

¹⁶¹ [Kirch declares itself insolvent \(BBC UK\)](#)

¹⁶² [The Economist - Kirch The Beginning of the End](#)

¹⁶³ [Ibid](#)

¹⁶⁴ A convoluted organizational and shareholding structure reminds us of another German company, where its senior officers control a myriad of secret and undisclosed companies.

Burkhard Ley was Kirch New Media's CFO until his abrupt departure on December 31, 2000 – prior to its insolvency, and at a time when he planned to spend \$240 million at Kirch New Media¹⁶⁵

“Finanzvorstand Burkhard Ley verlässt die Kirch New Media AG Nachfolge wird in Kürze bekannt gegeben

München (pte066/18.12.2000/17:30) - **Der 41 jährige Manager Burkhard Ley, Vorstand Finanzen und Beteiligungen der Kirch New Media AG http://www.kirchmedia.de/, München, wird das Unternehmen zum 31. Dezember 2000 auf eigenen Wunsch verlassen. Über die Gründe wurden keine näheren Angaben gemacht.** Ley war im Februar 2000 als Director Corporate Finance von Sal. Oppenheim nach München gewechselt.

Vorstandssprecher Rainer Hüther würdigte Burkhard Leys Tätigkeit als wichtige Aufbauarbeit, die er in den vergangenen Monaten erfolgreich geleistet habe. Die Nachfolge für Burkhard Ley ist bereits geregelt und wird nach Auskunft der Kirch New Media AG in Kürze bekannt gegeben.¹⁶⁶

Bold section translates as:

“The 41-year old manager, Burkhard Ley, Chief Financial Officer of Kirch New Media AG, http://www.kirchmedia.de/, Munich, as at December 31, 2000, is leaving the company at his own request. No further details were provided as to his reasons.”

Thorsten Holten

Thorsten Holten (“Holten”) is the Executive VP of Treasury to Wirecard, with responsibility for assisting in the oversight of group finances and customer deposits at Wirecard bank¹⁶⁷.



**Thorsten Holten, Executive Vice President Treasury,
Wirecard AG**

Thorsten Holten ist seit 2002 bei der Wirecard AG beschäftigt und unterstützt als Executive Vice President mit seinem Team die gesamte Wirecard Gruppe in allen Themen rund um das Treasury. Die Wirecard AG ist einer der weltweit führenden und unabhängigen Anbieter für den elektronischen Zahlungsverkehr. 2013 erwirtschaftete die Wirecard AG mit 1.180 Mitarbeitern einen Umsatz von rund 482 Mio. Euro und ein EBITDA von rd. 126 Mio. Euro.

Figure 58 Thorsten Holten Executive Vice President Treasury, Wirecard AG¹⁶⁸

On June 15, 2007, Thorsten Holten and Torsten Doppler incorporated Yros Limited, a company registered to an address in Birmingham, UK. Torsten Doppler¹⁶⁹ was Head of Sales to Wirecard Technologies from September 2004 to September 2007.

1030

¹⁶⁵ GERMANY-KIRCH-NEW-MEDIA - Burkhard Ley, head of the financial board

¹⁶⁶ Pressetext.com - CFO Burkhard Ley leaves the Kirch New Media AG (Translated)

¹⁶⁷ Article on Thorsten Holten, Executive Vice President Treasury of the Wirecard Group, not only the finances of the group & customer deposits at the in-house bank.

¹⁶⁸ www.finance-magazin.de/ PDF on Structured Finance Slide 37

¹⁶⁹ Torsten Doppler LinkedIn profile



Torsten Doppler

Personenschutz und Begleitschutz - Sicherheitsseminare
bei Think Save

Munich Area, Germany | Security and Investigations

Current Think Save, webschrift.com

Previous Wirecard Technologies AG, Kühne & Nagel, GLS

[Send Torsten InMail](#)

49 connections

<https://de.linkedin.com/in/torsten-doppler-3657a826/en>

File Copy



Names and addresses of Subscribers

Torsten Doppler
Graf Pfeising Strasse 7
85461
GRUENBACH

Thorsten Holten
Ottillienstrasse 35 a
81827
MUENCHEN

CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

Company No. 6280946

Dated 12/06/2007

The Registrar of Companies for England and Wales hereby certifies that
YROS LIMITED

Figure 59 Torsten Doppler former Head of Sales to Wirecard Technologies AG & Yros Limited incorporated in the UK by Thorsten Holten (Treasurer to Wirecard) and Torsten Doppler (Head of Sales to Wirecard Technologies)

The CFO relationships raise several concerns:

We believe that Wirecard has maintained close relationships with its former CFOs, due to their deep understanding they have of the business and operations. Indeed, in some cases this relationship has remained so close, that one former CFO appears to have also been associated with the companies and individuals that transmit illegal online gambling monies into the U.S.

One such example is Alexander Herbst's association with another County Durham registered entity with the same shareholders (Fermoya and BMIE) as the undisclosed Wire Card UK and the company wiring illegal internet gambling monies into the U.S., Bluetool.

We believe that shareholders, card issuers, regulators and criminal investigators should have serious concern that Wirecard continues to have an agreement with Herbst's entity, Deutsche Payments. We believe that this agreement allows the obfuscation of merchant category codes and the fact that "the provisions of the European Communities (Payment Services) Regulations 2009" do not apply¹⁷⁰ should bear closer scrutiny as to why not.¹⁷¹

Our view is that shareholders should be concerned by the fact that the current Treasurer to Wirecard, with oversight of Wirecard group finances and bank customer deposits at Wirecard bank, had a 50:50 venture with Wirecard Technologies' Head of Sales.

Yet again, the presenting evidence raises not only serious flaws for the conduct of both Wirecard's CEO, Markus Braun, and CFO, Burkhard Ley, but more so poses a serious and poignant question of what exactly they know with regard to the conduct of Wirecard employees¹⁷².

¹⁷⁰ [Deutsche Payment agreement with Wirecard](#)

¹⁷¹ [The Payment Services Regulations 2009 \(Legislation\)](#)

¹⁷² [Companies House UK – Filings – evidence both parties retained a 50:50 share in Yros Limited](#)

Wirecard Asia Pacific

Wirecard Asia Pacific – we see no value for shareholders

Evidence demonstrates that Wirecard's 'growth engine', its Asia Pacific (AP) operation, is undertaking a deliberate and premeditated scheme to defraud Visa and MasterCard.

Wirecard AP's subsidiary, Asia Pacific E-Serv (ASPACONLINE), and its affiliates, are obfuscating the 'Country of Domicile' of a number of Wirecard's sponsored Merchants.

Asia Pacific Merchant customers of Wirecard are presented with the ability to create 'mirror' companies in the United Kingdom, Switzerland and Lichtenstein^{173,174}, creating an inaccurate level of Country and Merchant Risk.

We believe that Wirecard is in significant breach of Visa and MasterCard's operating regulations, and this will ultimately result in the termination of its membership.

The obfuscation of Merchant and Country Category Codes should also incur considerable scrutiny by regulators, principally due to Wirecard obscuring the real origin, source and nature of payment transactions.

Wirecard AP's 'Risk and Compliance' function is farcical. Wirecard AP's own Risk and Compliance Officer, Arnold Marcellana, is responsible for registering poker domains.

Marcellana also registers undisclosed Payment Service Providers that are effectively Wirecard subsidiaries, which Visa, MasterCard and regulators are no doubt unaware of.

Evidence shows that:

- **Wirecard has hosted pornographic content sites on its Nameserver.**
- **Wirecard's Australia and South Pacific Sales Manager, Donald Moffatt, has registered a number of pornographic sites, scam sites and is affiliated with Kreole Enterprises.**
- **Kreole Enterprises is a Cypriot based entity that has a long history with Wirecard through pornographic sites and as a method for U.S. citizens making online poker gambling payments to its Wirecard Bank account.**

We believe that the authorities and regulators will be keen to determine the exact relationship between Wirecard and Kreole Enterprises.

The corporate structure, actions and conduct of employees in Wirecard AP echo the convoluted and undisclosed structure already evidenced in other areas of Wirecard operations.

This leaves little to no value to the Wirecard Asia Pacific operation.

¹⁷³ [Uni-Channel.com via Wayback Machine](#)

¹⁷⁴ [Paylockglobal.com via Wayback Machine](#)

Is Wirecard in Breach of Visa Europe Operating Regulations?

The origins of Wirecard Asia Pacific

Wirecard's former Operations Director, Ronald Magleo¹⁷⁵, highlights that Wirecard's entry into the Asia Pacific region was a result of Wirecard's acquisition of 'Asia Pacific E-Serv Corporation', from Magleo. This acquisition was around May 2007, when Magleo became employed by Wirecard AP, as its Operations Director, until June 2010¹⁷⁶.

RONALD P. MAGLEO

CHIEF EXECUTIVE OFFICER/FOUNDER



Driven by his passion for e-commerce and dream to build a streamlined online payment solutions, Ronald set up Paynamic Technologies Inc. after he left from Wirecard Asia Pacific where he was the Operations Director and a member of the pioneer team who successfully built the foundation of its success in the region. His entrepreneurial spirit inspired him to venture into technology business from web hosting and design to payments solutions right after college. His company, Asia Pacific E-Serv Corporation which was one of the first third party payments provider for Banco De Oro, largest bank in the Philippines, was acquired by Wirecard as its entry strategy to Asia. His past achievements and trainings from Wirecard Germany made him confident to build a new empire of e-commerce business. A Best Practicum awardee, he graduated with Honors at De La Salle University for his degree in Bachelor of Science in Business Management major in Entrepreneurship.

Evidence suggests that Wirecard's 'growth engine', its Asia Pacific operation:

- Is undertaking a deliberate and premeditated scheme to defraud Visa and MasterCard.
- That Wirecard AP's subsidiary, Asia Pacific E-Serv (ASPACONLINE), and its affiliates, are deliberately obfuscating the 'Country of Domicile' of a number of Wirecard's sponsored Merchant's.

Asia Pacific Merchant customers of Wirecard are presented with the ability to create 'mirror' companies in the United Kingdom, Switzerland and Lichtenstein^{177,178}. This allows Merchants to circumvent high risk categorization and authentication requirements within the Visa and MasterCard network.

Further, this restricts a regulator's ability to monitor the real origin, source and nature of payment transactions. The essence of 'Know Your Client' and all elements of Merchant compliance appear to be ignored to enable Wirecard to present itself as a high growth credit card processor.

If Wirecard is obfuscating the 'Country of Domicile', then there is significant risk it is also obfuscating its sponsored Merchant's Category Codes.

We believe that Wirecard is violating Visa and MasterCard's operating regulations.

¹⁷⁵ [Ronald Magleo bio from Paynamic.com](#)

¹⁷⁶ [Ronald Magleo LinkedIn profile](#)

¹⁷⁷ [Uni-Channel.com via Wayback Machine](#)

¹⁷⁸ [Paylockglobal.com via Wayback Machine](#)

Wirecard AP: Obscuring the country risk of its Merchants

Evidence below reveals the business practices of Wirecard AP's subsidiary, ASPACONLINE. We believe that Wirecard is in violation of Visa Europe Operating Regulations¹⁷⁹. This evidence is being submitted to Visa and MasterCard.

Asia Pacific E-Serv Corporation is known as 'ASPACONLINE'. In July 2014, ASPACONLINE (a Wirecard AP subsidiary) was directly advertising to potential Asia based merchant customers, that

"Since our Acquirer is in Europe, it is a prerequisite to be a European Register Company to be approve [sic] for a Merchant Account."

ASPACONLINE goes on to describe how it:

"... can assist in company formation in United Kingdom, Lichtenstein and Switzerland."

The screenshot shows a Wayback Machine capture of the <http://aspaconline.com/faqs.html> page from July 21, 2014. The page has a blue header with the 'ASIA PACIFIC E-SERV CORPORATION' logo and navigation links for Home, Company, Services, Process, FAQs (which is highlighted in blue), and Contact Us. Below the header is a large blue section titled 'Frequently Asked Questions'. Inside this section, there is a statement: 'These FAQs are designed to give you a better understanding of the terminologies used on the site as well as the processes involved with ASPACONLINE.' To the right of this statement is a 'Question' and 'Answer' table. The 'Question' row contains the question 'Why do I need a company formed in Europe?' and the 'Answer' row contains the response 'Since our Acquirer is in Europe, It is a prerequisite to be a European Register Company to be approve for a Merchant Account.' A red box highlights this answer. At the bottom left, there is a sidebar with a list of questions under the heading 'Questions'. At the bottom right, there is a sidebar for payment acceptance with logos for VISA, MasterCard, JCB, and American Express, and a 'Want to accept payments online?' button.

¹⁸⁰Figure 60 Wirecard AP subsidiary, Asia Pacific E-Serv, promoting the obfuscation of merchant location on its website¹⁸⁰

By the formation of what is effectively a 'mirror' company but, in a different geographic Territory to the true underlying Merchant customer to Wirecard, Wirecard is enabling an inaccurate level of Country Risk associated with these Asia based Merchants.

This is geographic concealment, it is likely that the actual Merchant Category Risk is also being obscured. Evidence in the section: 'The Farcical Compliance of Wirecard AP' will show supporting reasons for our view that corporate governance and business risk controls are as careless in Wirecard's Asia Pacific business as they are in the parent group itself.

This pattern and behavior is similar to the practices undertaken by Wirecard, together with its associate payment processors that used and use fraudulent methods to process

¹⁷⁹ [Visa Europe Operating Regulations](#)

¹⁸⁰ [Asia Pacific E-Serv Corporation aspaconline.com FAQ - 21 July 2014](#)

1090

payments to evade U.S. restrictions on internet gambling. Indeed, earlier sections have demonstrated evidence showing Wirecard's direct involvement in those cases.

Steps Taken by Visa and Mastercard to Prevent the Obscuring of Merchant and Country Risk

Visa and MasterCard, regulations require member banks that process credit card transactions for merchants (so-called "acquiring banks" such as Wirecard) to apply particular codes to transactions. These include a **Country Transaction Code ("TCC")** and a **Merchant Category Code ("MCC")^{181, 182}**. The MCC code is a four-digit code and reflects the primary category in which the merchant does business. For an online casino gambling merchant, the code '7995' would be applied to its transactions¹⁸³.

1100

The TCC and MCC permits:

- Other banks that issued credit cards to consumers (so-called "issuing banks") to elect not to extend credit to customers for example, internet-gambling purposes, or to decline certain transactions bearing other TCC and/or MCC codes reflecting high-risk transactions or locations.
- The processor to determine whether to place holds on merchant funds to protect themselves from the risk of suffering financial losses due to fraud, merchant closure, chargebacks etc.
- In the U.S. and foreign countries, the TCC and MCC can be used to determine whether or not a payment needs to be reported to the Internal Revenue Service¹⁸⁴ for tax purposes.

1110

Concerning the three points above, it is perhaps obvious why some less virtuous merchants may wish to obfuscate matters to their benefit.

An example of how it works:

A U.S. resident (Z) may hold a credit card issued by, Wells Fargo Bank (the issuing bank). Z may attempt to use this card to purchase online pharmaceuticals, for \$200, from a high risk merchant, based in the Philippines.

The high risk merchant may have an account with, Wirecard Bank (the acquiring bank). On behalf of the high risk merchant, Wirecard Bank (the acquirer) would present the transaction to Wells Fargo Bank (the issuer), and this transaction would have an MCC attached to it identifying it as a high risk merchant related transaction, emanating from the Philippines. Wells Fargo Bank could then elect to decline that transaction.

Online adult entertainment, pharmaceutical or suspected 'scam' merchants are thus very motivated to deceive issuing banks.

By forming a sham 'mirror' company in the United Kingdom (a service that Wirecard offers its Asia based Merchants), the Country and Merchant Category Code could be obscured and Wells Fargo (or any other issuing bank) may approve transactions that it might otherwise reject.

¹⁸¹ [Visa Merchant Category Codes](#)

¹⁸² A [What is the difference between high and low risk merchant accounts](#)

¹⁸³ Ibid

¹⁸⁴ Or relevant foreign tax authorities.

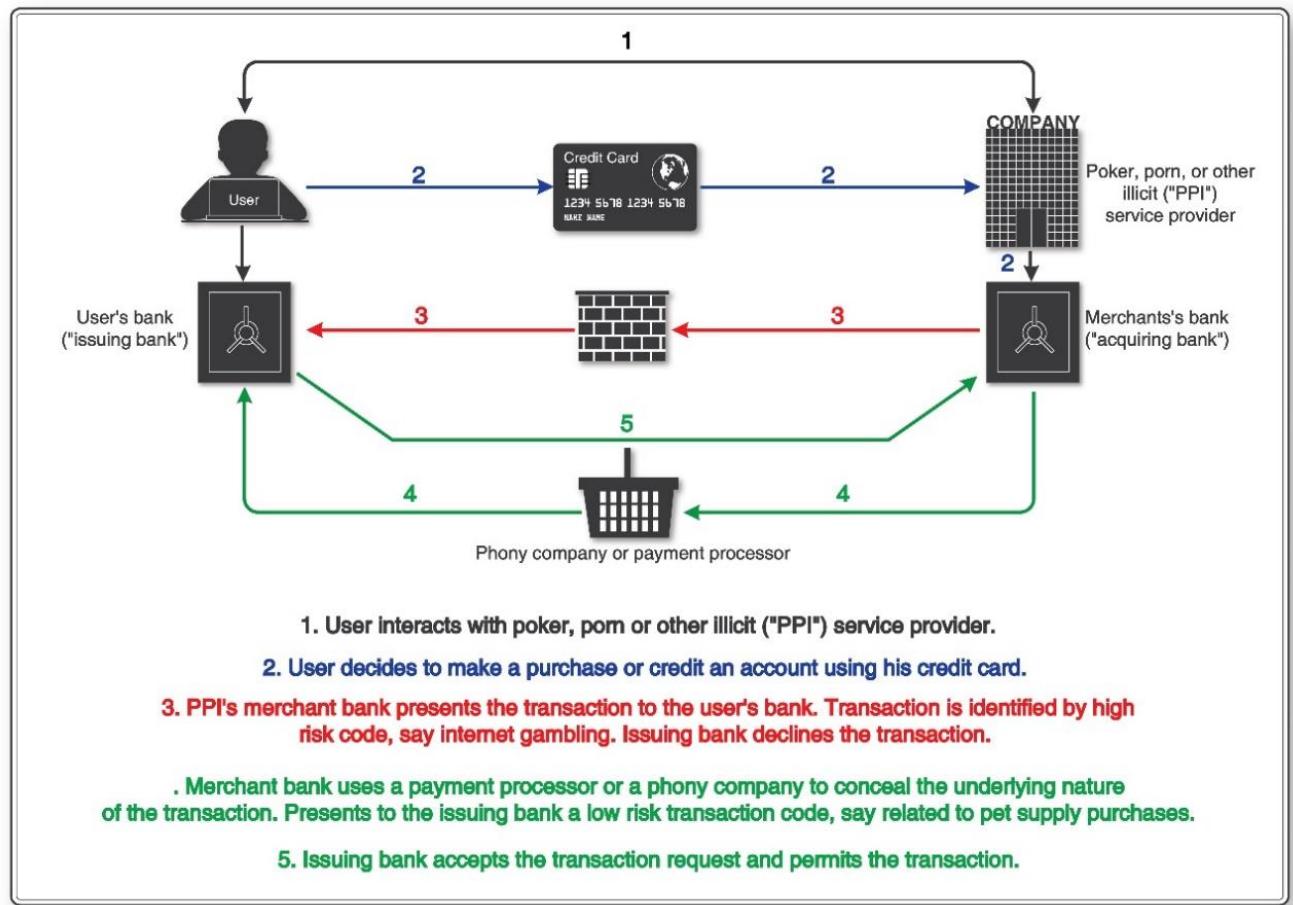


Figure 61 an example of how high risk merchants obscure their merchant category code and location

Merchants labeled high risk are required to accept that a sizeable percentage of the payment due will be placed on hold. This is to mitigate any event of the transaction being fraudulent. If this is the case then the issuing bank will request a charge back from the merchant (acquirer) bank, i.e. request the monies back.

Another benefit of obscuring Merchant Category Codes and Country risk, is that a higher proportion of the payment is received earlier than the true transaction risk profile would dictate¹⁸⁵.

Ruses used by less scrupulous high risk merchants involves the creation of phony companies, such as phony flower shops and pet supply shops, or companies in different countries, or both. These phony companies have lower risk Merchant Category and Country Codes attached to them, and so Visa and MasterCard are misled into processing transactions for offshore / high risk companies.

Why Domicile Matters

One of the ways banks assess the risk of fraudulent or high risk transactions is based on the domicile of the Merchant.

¹⁸⁵ For further information, see the University of California paper by Levchenko et al on 'Click Trajectories: End-to-End Analysis of the Spam Value Chain'. We would also note that Wirecard Bank is one of the fourteen Merchant banks highlighted in the report as "authorizing or settling transaction for spam-advertised purchases, their Visa-assigned Bank Identification Number (BIN), their location, and an abbreviation used for affiliate program and/or store brand."

As shown in Figure 63, Malaysia, Philippines, Indonesia, and Singapore have been highlighted as countries with high incidence of e-commerce related fraud. If a Malaysian based high risk Merchant is able to disguise transactions to appear in the UK, then this would reduce the rejection rate. Evidence suggests that this is what Wirecard is offering to its high risk Asian based merchant customers.

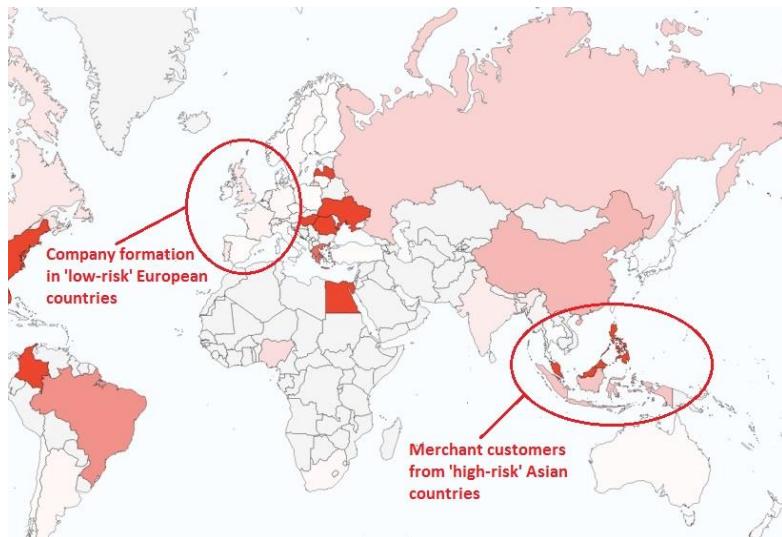


Figure 62 Global e-commerce fraud rates by country, dark red indicates higher incidence of fraud¹⁸⁶

Wirecard AP Affiliates: Obscuring Merchant Country Risk.

1140

Wirecard AP's subsidiary, ASPACONLINE, promoted a 'mirror' company formation service to its Asia based merchants until July 2014. More recently it has used Wirecard employee businesses to offer this service.

PayLock Global Solutions is based in the Philippines¹⁸⁷, with Bob Lock as its Chief Operating Officer¹⁸⁸. Bob Lock is the former VP of Development at Wirecard AP, (January 2009, to July 2011). However as with a number of Wirecard's 'supposed' ex-employees he has either maintained a close working relationship with his former employer, or remains in Wirecard's employment. One of Bob Lock's numerous LinkedIn profiles would suggest he remains employed by Wirecard¹⁸⁹.

Author	Topic: lets do it online (Read 771 times)
BOB LOCK Novice Posts: 9 Gender: ♂	lets do it online « on: December 10, 2008, 02:07:40 PM » <hr/> Ladies and Gents, I am amazed by this forum. There is so many great ideas and entrepreneurs looking to do business. How as an online payment gateway can we assist. check us www.wirecard.asia or www.aspaconline.com I look forward to hearing from you.

1150

Figure 63 Bob Lock Advertising www.Wirecard.asia and www.aspaconline.com Dec 10, 2008¹⁹⁰

¹⁸⁶ Sift Science.com Article on Global-E-commerce fraud

¹⁸⁷ See www.paylockglobal.com (Website)

¹⁸⁸ Bob Lock LinkedIn profile

¹⁸⁹ One of Bob Lock's LinkedIn profiles indicating he is still Vice President at Wirecard Asia Pacific

¹⁹⁰ Bob Lock Advertising on Entrepreneur.com.ph December 2008

Visa and MasterCard may elect to pay close scrutiny to PayLock Global's association with Wirecard's ASPACONLINE for several reasons:

1. PayLock Global is actively seeking Asian based merchants offering specialism in high risk areas such as "*Pharmacy, gaming, tobacco and forex.*"
2. PayLock Global is offering the same option as ASPACONLINE offers its high risk merchants. Namely to incorporate sham 'mirror' companies in European countries to obfuscate Country and Merchant Category Risk. ASPACONLINE (Wirecard AP subsidiary) performs the technical integration for PayLock Global.

Paylockglobal www.paylockglobal.com

offers payment services to merchants worldwide. We specialize in High risk quality merchants with unique and affordable solutions. Pharmacy, gaming, tobacco and forex are a speciality.

In certain instances we are able to offer JCB JPY via our partners.

We are always interested to talk to PSP's to see if we can assist them monetize merchant categories they don't currently work with. Equally we are always keen to learn more of other solutions we may be able to help our merchants with.

Through our partners worldwide, we offer unique payment methods in Asia. Services in USD and Euro to non EU registered gaming companies.

An excellent prepaid Visa card service.

Echeck, ACH and direct debit are also available.

1160

Figure 64 Bob Lock's Bio statement from his LinkedIn¹⁹¹

[STEP 5] TECHNICAL INTEGRATION AND MERCHANT CONTRACT SIGNING

Once the Merchant Account is approved, ASPACONLINE will begin technical integration of your business to our payment system and with our acquiring partner.

The Merchant Account Contract with our Acquirer and ASPACONLINE Merchant Processing Agreement will be submitted to you for your signing.

After the process, you can no longer process credit card transactions!

Figure 65 Showing Association with ASPACOnline and E-processing

Other Services

OTHER SERVICES

[1] **Merchant Account Accreditation - PAYLOCKGLOBAL** set up your Merchant Account with one of our accredited European Acquiring Banks. We cater to all kinds of merchant accounts (low risk to high risk).

[2] **European Company Incorporation - A European Company** is needed in order for you to get a Merchant Account with our European Acquirer. **PAYLOCKGLOBAL** can help you with your Incorporation requirements in Europe.

[3] **Business Legal Services - PAYLOCKGLOBAL** will refer you to our accredited Legal Services partner to service your tax concerns, accounting services, office location setup and other business services for your European Company Incorporation.

Figure 66 PaylockGlobal.com European Company Incorporation FAQ¹⁹²

¹⁹¹ [Bob Lock LinkedIn Profile](#)

¹⁹² [www.paylockglobal.com FAQ via WayBackMachine Feb 13, 2016](http://www.paylockglobal.com/FAQ)

Wirecard Appears to be in Breach Of Visa Europe Operating Regulations

Evidence in the previous section revealed the business practices of Wirecard AP's subsidiary, ASPACONLINE, and affiliate Payment Service Provider (PSP) sites. In the following section, we reveal that Uni-Channel and Worldnetpayments are additional PSPs created by Wirecard.

Visa Europe Operating Regulations are clear:- In Wirecard's subsidiary (ASPACONLINE) and affiliates Uni-Channel, PayLockGlobal and Worldnetpayments¹⁹³, facilitating Asia based merchants to register European companies presents significant risk to the compliance of Visa's regulations.

We believe that Wirecard is in violation of a number of Visa Europe Operating Regulations^{194,195}. By way of example, we detail below a few regulations that Visa Europe may seek to ensure are not being breached by Wirecard¹⁹⁶.

Visa Europe Operating Regulation 4.3.C.1. This clearly states that an Acquirer must not contract with Merchants outside of its Territory. Wirecard's Territory is Europe. Hence in Wirecard's subsidiary, ASPACONLINE, assisting Asia based merchants with company formation in European Economic Area (EEA) countries, is Wirecard using the EEA address to by-pass restrictions on Cross-Border Merchant Contracting? If it is, this could have serious consequences and presents significant risk to Wirecard's business model.

4.3.C Restrictions on Cross-Border Merchant Contracting

4.3.C.1 ~~An Acquirer must not contract with a Merchant in respect of that Merchant's Merchant Outlets that are outside the Territory, unless the Merchant is an International Airline and the Acquirer maintains the relationship as specified in Section 4.7.~~

Figure 67 Visa Europe Operating Regulation 4.3.C.1

Below is Visa Europe Operating Regulation 4.6.F.2 Fig.68). This requires Wirecard as an Acquirer to ensure that its Sponsored Merchant details are consistent across all Transaction Receipts, billing statements and Clearing Records. In the creation of what appears to be sham or 'mirror' companies with the assistance of Wirecard and its affiliates, this would assist the concealment or consistency of Sponsored Merchant identifiers.

4.6.F.2 Payment Facilitator and Sponsored Merchant Name

The name of the Sponsored Merchant and the Payment Facilitator must be included in the Transaction Receipt, the billing statement and the Clearing Record. ~~The Sponsored Merchant name and the Payment Facilitator name must remain the same across all Transaction Receipts, billing statements and Clearing Records.~~

Figure 68 Visa Europe Operating Regulations rule 4.6.F.2 - November 2015

For example, the obscuring of 'high risk' identification appears to be taking place with, www.foxycombat.com, a female nude wrestling site. Foxycombat's terms and conditions detail:

¹⁹³ [Worldnetpayments.com is another Payment Service Provider registered by Arnold Marcellana and to Wirecard's Philippine address](#)

¹⁹⁴ [Visa Europe Operating Regulations](#)

¹⁹⁵ [Visa Payment Facilitator Model](#)

¹⁹⁶ The supporting evidence has been submitted to Visa and MasterCard in relation to Wirecard, Uni-Channel, Worldnetpayments and other Wirecard affiliates, whereby the parties may be in violation of Visa and MasterCard rules.

"Wirecard CEE is the Payment Processor for www.foxycombat.com. It is based in 9020 Klagenfurt, AUSTRIA and is one of the safest and most reliable transaction companies worldwide.

To protect your privacy, HK-FC EU will appear on your statement!"

Wirecard CEE is the Payment Processor for www.foxycombat.com. It is based in 9020 Klagenfurt, AUSTRIA and is one of the safest and most reliable transaction companies worldwide.

To protect your privacy, HK-FC EU will appear on your statement!

Figure 69 Foxycombat website highlighting that its transactions will be obscured on customer statements and suggesting the use of an EU entity by the code "HK-FC EU" (EU bold for Emphasis).

The European Company Formation Service Ffor Asia Based Merchants Raises Significant Questions and Concerns:

We believe this is a deliberate attempt by Wirecard to obfuscate underlying Transaction Country Codes, so that 'high risk' domicile related codes are replaced with 'lower risk' domicile codes. If as we believe, Wirecard is performing this, then it is likely that Merchant Category Codes are also being obscured.

Our view is that this activity puts Wirecard in breach of numerous Visa Europe Operating Regulations. Principal amongst these is Wirecard contracting with Merchants outside of its Territory. This distorts not only which jurisdictional rules Wirecard may or may not be adhering to, but is also a distinct unfair advantage compared to other Acquirers that restrict their activity to the appropriate Territory.

It distorts adherence to a number of regulations, such as:

- Merchant Inspection, i.e. what address is Wirecard inspecting, the address in Asia or the sham 'mirror' company location in Europe?
- Monitoring illegal transactions, or Merchant principals that are prohibited from participating in the Visa Card Program. I.e. are different company or Merchant names being used for the sham 'mirror' companies formed in Europe to enable illegal transactions or to avoid restriction of the Visa Card Program?
- Data Protection is another important regulation to consider. Is Wirecard adhering to strict Data Protection Legislation, ensuring that Visa, Merchants, counterparties and Card users are aware that information may be circulated among Wirecard subsidiaries? Subsidiaries that are under the control of Wirecard officers but where Wirecard has gone to some length to obscure evidence of control. The list goes on.

The Farcical Compliance of Wirecard AP

Arnold Marcellana was Wirecard AP's Risk and Compliance Officer (RCO) from January 2006 until April 2010.

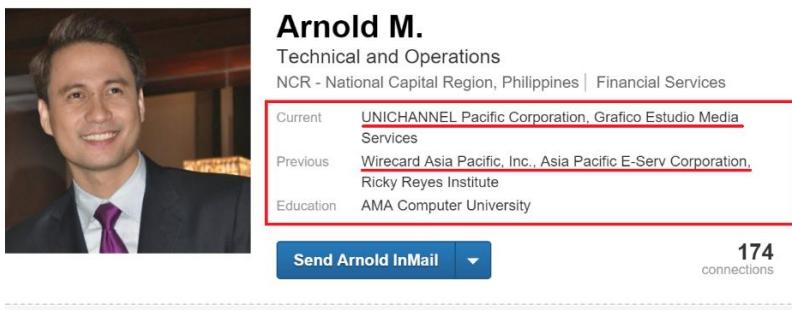
Evidence shows that as Wirecard AP's RCO, Marcellana:

- Registered the domain names of Payment Service Provider companies, whilst employed by Wirecard, thus suggesting that Wirecard had a vested interest in such companies.
- Registered poker domain names whilst serving as Risk and Compliance Officer; conflicting his required duties.
- Was underqualified to perform his role as Risk and Compliance Officer of Wirecard AP.
- **Is still employed through Wirecard AP**, despite disclosure that he left the company in April 2010.

Arnold Marcellana

Marcellana was employed by Asia Pacific E-Serv Corporation (ASPAC), when it was acquired by Wirecard.

1210



Arnold M.
 Technical and Operations
 NCR - National Capital Region, Philippines | Financial Services

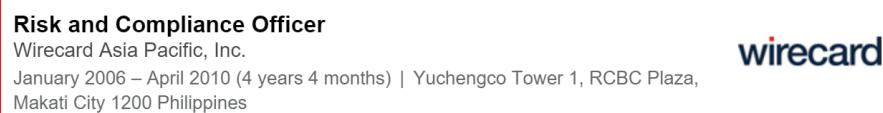
Current	UNICCHANNEL Pacific Corporation, Grafico Estudio Media Services
Previous	Wirecard Asia Pacific, Inc., Asia Pacific E-Serv Corporation, Ricky Reyes Institute
Education	AMA Computer University

[Send Arnold InMail](#) ▾ 174 connections

Figure 70 Marcellana LinkedIn profile¹⁹⁷

Contrary to Wirecard's own statement that it commenced operations in Asia Pacific in December 2007, Marcellana asserts that he was the "Risk and Compliance Officer" for Wirecard AP nearly two years earlier from January 2006.

1220



Risk and Compliance Officer
 Wirecard Asia Pacific, Inc.
 January 2006 – April 2010 (4 years 4 months) | Yuchengco Tower 1, RCBC Plaza, Makati City 1200 Philippines

Figure 71 Marcellana LinkedIn profile

Later you will see how Marcellana is still in Wirecard AP's employ, despite his statement to the contrary. Evident and alarm raising is his lack of experience to fulfil this important role. Prior to becoming RCO of Wirecard AP, Marcellana's experience was limited to three years web design (in various roles). This explains why his conduct is now brought into question.

¹⁹⁷ LinkedIn Profile for Arnold Marcellana – Search Term: Arnold Marcellana (no direct link available).



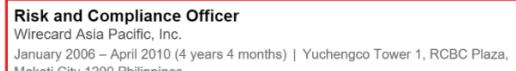
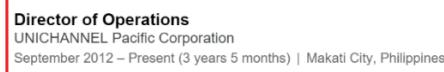
wirecard



Figure 72 Marcellana LinkedIn profile

Wirecard AP Uses Marcellana to Set Up Undisclosed Payment Service Providers

Marcellana asserts that he left Wirecard Asia Pacific in April 2010¹⁹⁸, to become Director of Operations at Unichannel Pacific Corporation. Unichannel Pacific Corporation (UCPC) is a “Complete Internet Payment Solutions provider that supports all major credit cards.”¹⁹⁹



wirecard

Figure 73 Marcellana LinkedIn profile

1230

We believe that:

- Marcellana continues to work at Wirecard AP, despite his claim he left in April 2010.
- Marcellana has attempted to obscure his continued association with Wirecard AP.
- Marcellana is used to set-up sham and Payment Service Provider companies for the economic benefit of Wirecard AP, or its officers.
- Two of these Payment Service Providers are UCPC and Worldnetpayments, which are undisclosed subsidiaries or under the effective control of Wirecard AP.

Evidence to support our view includes:

- The UCPCPAY.com website²⁰⁰ was created in June 2014 - registered by an individual working for Wirecard AP’s subsidiary, ASPACONLINE. This individual uses the name Arnold ‘General’. This shows that Wirecard AP created the UCPC website, and that the Arnold ‘General’ is really Arnold Marcellana, working for Wirecard AP, four years after the date he claimed to have left the company.
- When the UCPC website was updated in May 2015, Marcellana revealed his identity.
- Worldnetpayments creation was also by Marcellana, and it ‘went live’ in 2016.

¹⁹⁸ LinkedIn Profile for Arnold Marcellana – Search Term: Arnold Marcellana (no direct link available).

¹⁹⁹ [Unichannel Pacific Corporation website](#)

²⁰⁰ [UCPCPAY website](#)

Domain Name: UCPCPAY.COM Registry Domain ID: 1861765260_DOMAIN_COM-VRSN Registrar WHOIS Server: whois.wildwestdomains.com Registrar URL: http://www.wildwestdomains.com Update Date: 2014-06-06 02:56:39 Creation Date: 2014-06-06 02:56:39 Registrar Registration Expiration Date: 2015-06-06 02:56:39 Registrar: Wild West Domains, LLC Registrar IANA ID: 440 Registrar Abuse Contact Email: abuse@wildwestdomains.com Registrar Abuse Contact Phone: +1.480-624-2505 Reseller: STUNWEBS Domain Status: clientTransferProhibited Domain Status: clientUpdateProhibited Domain Status: clientRenewProhibited Domain Status: clientDeleteProhibited Registry Registrant ID: Registrant Name: Arnold General Registrant Organization: General Corporation Registrant Street: Don Chino Roces Avenue Registrant City: Makati City Registrant State/Province: Metro Manila Registrant Postal Code: 1200 Registrant Country: Philippines Registrant Phone: +63.6328461546 Registrant Phone Ext: Registrant Fax: Registrant Fax Ext: Registrant Email: general@aspaconline.com Registry Admin ID: Admin Name: Arnold General Admin Organization: General Corporation Admin Street: Don Chino Roces Avenue Admin City: Makati City Admin State/Province: Metro Manila	Domain Name: UCPCPAY.COM Registry Domain ID: 1861765260_DOMAIN_COM-VRSN Registrar WHOIS Server: whois.wildwestdomains.com Registrar URL: http://www.wildwestdomains.com Update Date: 2015-05-26T03:18:11Z Creation Date: 2014-06-06T07:56:39Z Registrar Registration Expiration Date: 2017-06-06T07:56:39Z Registrar: Wild West Domains, LLC Registrar IANA ID: 440 Registrar Abuse Contact Email: abuse@wildwestdomains.com Registrar Abuse Contact Phone: +1.4806242505 Reseller: Domains Priced Right Domain Status: clientTransferProhibited http://www.icann.org/epp Domain Status: clientUpdateProhibited http://www.icann.org/epp Domain Status: clientRenewProhibited http://www.icann.org/epp Domain Status: clientDeleteProhibited http://www.icann.org/epp Registry Registrant ID: Not Available From Registry Registrant Name: Arnold Marcellana Registrant Organization: UNICCHANNEL Pacific Corp Registrant Street: 2/F King's Court II Bldg Registrant Street: 2129 Don Chino Roces, Pio Del Pilar Registrant City: Makati City Registrant State/Province: Metro Manila Registrant Postal Code: 1200 Registrant Country: PH Registrant Phone: +63.28461546 Registrant Phone Ext: Registrant Fax: +63.28468226 Registrant Fax Ext: Registrant Email: technical@ucpcpay.com Registry Admin ID: Not Available From Registry Admin Name: Arnold Marcellana Admin Organization: UNICCHANNEL Pacific Corp Admin Street: 2/F King's Court II Bldg Admin Street: 2129 Don Chino Roces, Pio Del Pilar
--	---

Figure 74 Evidence showing Wirecard AP registering UCPC website and Arnold "General" Marcellana still working for Wirecard AP four years after he claims to have left.

UCPC is not the only instance Marcellana has performed this task for Wirecard AP. Marcellana has registered the following sites, utilising his ASPAConline and/or Wirecardasia.com email account to register and or maintain the following domains on behalf of Wirecard Asia Pacific or associated entities.

1250

List of domain names registered by Arnold Marcellana

Domain Name	Create Date	Registrar
mysurepay.net	2014-03-23	godaddy.com
ofwcommunity.org	2013-10-02	wild west domains, llc (r120-lron)
ofwcoop.org	2013-10-02	wild west domains, llc (r120-lron)
cash-express.biz	2013-12-02	(registration services) wildwestdomains.com
ucpcpay.com	2014-06-06	wildwestdomains.com
1stopfitness.biz	2014-08-04	(registration services) wildwestdomains.com
worldnetpayments.net	2015-11-16	godaddy.com
worldnetpayments.com	2015-11-16	godaddy.com
philcarbon.net	2014-07-30	godaddy.com
happy88casino.com	2011-10-04	melbourneit.com.au
graficoestudio.com	2014-03-23	godaddy.com

Figure 75 Numerous domain names registered by Arnold Marcellana, using his Wirecard AP email address, years after he reportedly left the company²⁰¹

²⁰¹ Domain Big Data Arnold Marcellana

Of note are the domain details of [worldnetpayments.net](#), [cash-express.biz](#), [mysurepay.net](#), [happy88casino.com](#) and [graficoestudio.com](#) with registration dates as recently as November 2015.

Incorporation of Payment Service Providers in 2016

Worldnetpayments presents the latest example as to how Wirecard AP and Marcellana continue to obscure the domicile and likely categorization of the underlying Merchant.

Worldnetpayments^{202, 203} became operational sometime after January 12, 2016, and is a Payment Service Provider that is connected to Wirecard AP.

Worldnetpayments.com (WORLDNETPAY Corporation) is registered to the same address as UNICHANNEL and Asia Pacific E-Serv Corp (ASPAC). Not only does this validate that Arnold Marcellana never left Wirecard AP but they are the same companies.

Domain Name: worldnetpayments.com
 Registry Domain ID: 1980577307_DOMAIN_COM-VRSN
 Registrar WHOIS Server: whois.godaddy.com
 Registrar URL: http://www.godaddy.com
 Update Date: 2015-11-16T08:31:22Z
 Creation Date: 2015-11-16T08:31:22Z
 Registrar Registration Expiration Date: 2016-11-16T08:31:22Z
 Registrar: GoDaddy.com, LLC
 Registrar IANA ID: 146
 Registrar Abuse Contact Email: abuse@godaddy.com
 Registrar Abuse Contact Phone: +1.4806242505
 Domain Status: clientTransferProhibited http://www.icann.org/
 Domain Status: clientUpdateProhibited http://www.icann.org/ep
 Domain Status: clientRenewProhibited http://www.icann.org/epp
 Domain Status: clientDeleteProhibited http://www.icann.org/ep
 Registry Registrant ID:
 Registrant Name: Arnold Marcellana
 Registrant Organization:
 Registrant Street: Avida Towers San Lorenzo Tower 1
 Registrant Street: Don Chino Roces Avenue
 Registrant City: Makati City
 Registrant State/Province: Metro Manila
 Registrant Postal Code: 1200
 Registrant Country: Philippines
 Registrant Phone: +63.25000383
 Registrant Phone Ext:
 Registrant Fax:
 Registrant Fax Ext:
 Registrant Email: arnold@ucpcpay.com
 Registry Admin ID:
 Admin Name: Arnold Marcellana

WORLDNETPAY CORPORATION ↗
 2nd Floor King's Court Tower 2, 2129 Chino Roces Avenue corner
 Dela Rosa Street, Makati City 1230 Philippines

Contact Us
 Philippines ↘
 UNICHANNEL Pacific Corp.
 2nd Floor King's Court 2
 2129 Don Chino Roces Avenue
 corner Dela Rosa Street
 Makati City 1200 Philippines
 Email: info@uni-channel.net

Tech Organization: Asia Pacific E-Serv Corporation
 Tech Street: 2/F King's Court II Bldg.
 Tech Street: 2129 Chino Roces Ave., Pio Del Pilar
 Tech City: Makati City
 Tech State/Province: Metro Manila
 Tech Postal Code: 1200
 Tech Country: PH
 Tech Phone: +63.29757988
 Tech Phone Ext:
 Tech Fax Ext:
 Tech Email: technical@aspaconline.com
 Name Server: NS05.DOMAINCONTROL.COM
 Name Server: NS06.DOMAINCONTROL.COM

Domaintools Registration for
 Aspaconline.com (Wirecard
 Subsidiary dated Feb 08. 2016

Figure 76 Worldnetpayments.com Domain registration with Marcellana and companies addresses²⁰⁴

1270

²⁰² [WayBackMachine](#) – worldnetpayments.com FAQ

²⁰³ [www.worldnetpayments.com](#) site went live whilst researching this report. WORLDNETPAYMENTS company domain was formed on November 16, 2015 and only recently became operational (after January 12, 2016)

²⁰⁴ [Research Domain tools Search ASPACOnline.com](#)

As with www.uni-Channel.com, www.ucpcpay.com and www.paylockglobal.com the EU Company Formation is yet again a requirement of WORLDNETPAY Corporation.

QUESTION	ANSWER
How long does it take for my merchant account to be approved?	Once you filled up our WORLDNETPAY COMPLIANCE Business Package together with other relevant documents (EU Company Incorporation Papers, Directors List and alike) Final Approval will only take 5 working days at most.
What is WORLDNETPAY's competitive advantage compared to other payment processors?	
What is Address Verification System?	
Does your payment gateway offer fraud protection to help avoid charge backs?	
What is WORLDNETPAY PAYMENT ACCEPTANCE?	
What is WORLDNETPAY VIRTUAL TERMINAL ACCEPTANCE?	
How many Acquirers do	
How long does it take for my merchant account to be approved?	
What is a payment gate	

Figure 77 WORLDNETPAYMENTS frequently Asked Questions showing the “compliance business package.”

Of note is the “WORLDNETPAY COMPLIANCE Business Package” that “together with other relevant documents (EU Company Incorporation Papers, Directors List and alike)” sees “Final Approval will only take 5 working days at most.”

1280

There can be no doubt that Marcellana and Asia Pacific E-Serv are the architects of all these Payment Service Providers. They have utilized the same website templates as ASPAConline.com including, images and wording.

Notice anything similar? Asia-Pacific is Uni-Channel.



Figure 78 Uni-Channel (currently live) and Asia Pacific E-Serv Corporation (via way back machine) websites

1290

Wirecard AP's CFO Investigated for Fraud

Significant risk oversights resulted from Marcellana's inexperience and/or his time dedicated to registering apparent 'off-book' associated company websites for Wirecard AP.

For example, Wirecard AP's CFO, Esther Magleo, was personally investigated for fraud *whilst she was in office* at Wirecard AP.

ESTHER MAGLEO

CHIEF FINANCE OFFICER & TREASURER/CHAIRPERSON, CO-FOUNDER, BOARD OF DIRECTOR



Esther held various management and finance executive positions from some companies in the Philippines for over 30 years. She was a member of the pioneer team of Wirecard Asia Pacific, Inc. and spent for nearly 3 years as its CFO prior to co-founding Paynamic Technologies, Inc. (PTI). She grew a privately held domestic oil company to a US\$470M annual revenues when she left for retirement. She raised over US\$275M funds from domestic debt market for two major new oil players in the Philippines.

She is currently a Board of Director, Corporate Secretary, and Treasurer for almost 30 years at DIC Philippines, an affiliate of DAINIPPON INC AND CHEMICALS, (DIC Corporation) based in Japan, the no. 1 fine chemicals manufacturer in the world.

Figure 79 Paynamic Meet the Team Esther Magleo²⁰⁵

Prior to Esther Magleo's appointment and throughout her three year tenure as Wirecard AP CFO, newspapers reported that she was investigated for customs fraud, relating to unpaid duty and smuggling of oil imports at a company she was formerly involved with. Magleo was implicated in fraud between 2007²⁰⁶ and 2013^{207,208}, whilst employed by Wirecard AP.

Worryingly for investors, Esther Magleo's son, Ronald Magleo, sold Wirecard the Asia Pacific E-Serv Corporation in 2007²⁰⁹.

1300

Wirecard AP's CFO, Esther Magleo, was investigated for customs fraud.

Remarkably Wirecard did not seek to protect the reputation and financial risk of the company. It kept Magleo in the most sensitive and important roles for the financial control of Wirecard AP ... CFO.

The Farcical Compliance of Wirecard Asia Pacific raises questions and concerns:

Marcellana remains associated with Wirecard AP. As its Risk and Compliance Officer, he is failing to perform the duties of compliance and risk. These duties include:

- Vetting new Merchants.
- Monitoring the conduct and actions of employees, and failing to take appropriate measures to protect the corporation from employees' actions.
- Failing to manage risk associated with any statute or regulations that apply to Wirecard's activities.

In fact, Marcellana appears to be the principal character that is breaching the rules and regulations he is positioned to monitor and uphold. As we will now show he is also registering poker related sites.

²⁰⁵ [www.paynamic.com 'Meet the Team' \(WaybackMachine\)](http://www.paynamic.com 'Meet the Team' (WaybackMachine))

²⁰⁶ [PASG implicates De Venecia in oil smuggling - inc Esther Magleo](#)

²⁰⁷²⁰⁷ [Bureau of Customs files charges vs oil firm execs](#)

²⁰⁸ [Cases filed vs oil firms, individuals](#)

²⁰⁹ [Ex-employee becomes CEO](#)

Further Links to Poker and Hosting Pornographic Domains On The Wirecard Nameserver

Evidence shows that:

- Wirecard has hosted pornographic content sites on its Nameserver.
- Wirecard's Risk and Compliance Officer, Arnold Marcellana, has registered poker sites.
- Wirecard's Australia and South Pacific Sales Manager, Donald Moffatt, has registered a number of pornographic sites, scam sites and is affiliated with Kreole Enterprises.
- Kreole Enterprises is a Cypriot based entity that has a long history with Wirecard through pornographic sites. Also as a method for U.S. citizens making online poker gambling payments into its Wirecard Bank account.

We believe that the authorities and regulators will be keen to determine the exact relationship between Wirecard and Kreole Enterprises.

1310

Another example of Wirecard AP's Risk and Compliance Officer's work that will raise red flags with regulators and Visa and MasterCard is registration of poker related domains.

Marcellana registered in May 2012 (again two years after he claims to have left Wirecard), the domain: kavapoker.net. Full details are below including Arnold Marcellana at Wirecard Asia Pacific as the billing contact, and his ASPACONLINE email address.

Reverse Whois:

arnold.marcellana@aspaconline.com 

Domain kavapoker.net:
Wirecard Asia Pacific, Inc.
25/F Yuchengco Tower 1 RCBC Plaza Ayala Avenue
Makati City, Metro Manila 1226 PH

Administrative contact:
Technical contact:
Billing contact:
Wirecard Asia Pacific, Inc.
Arnold Marcellana
arnold.marcellana@aspaconline.com
25/F Yuchengco Tower 1 RCBC Plaza Ayala Avenue
Makati City, Metro Manila 1226 PH
Phone: +632.8564421
Fax:

Record dates:
Record created on: 2012-05-07 06:22:36 UTC
Record modified on: 2012-05-07 06:23:21 UTC
Record expires on: 2013-05-07 UTC

Nameservers:
ns2.fabulous.com:
64.15.205.28
ns1.fabulous.com:
208.48.81.135

Figure 80 Marcellana still working for Wirecard AP after he asserts he left, and registering poker related domains, with billing directed to Wirecard AP

1320

The domain Kavapoker.net was transferred to Concise Global Marketing a name associated with Kreole Enterprises. This is not the first time Wirecard has had dealings with Kreole Enterprises.

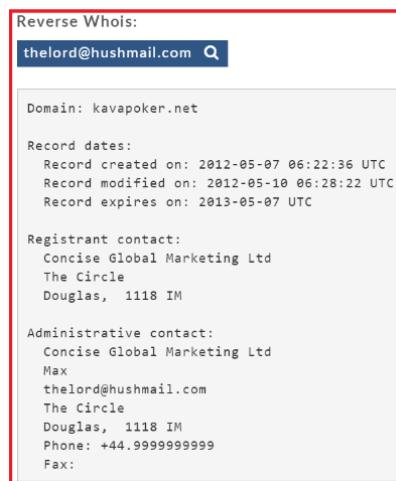


Figure 81 Kavapoker.net domain then transferred to Concise Global Marketing Ltd

Porn on the Wirecard Nameserver and Kreole Enterprises

Evidence shows that the domain, worldsbestloveronline.com, was hosted on Wirecard Asia Pacific's 'nameserver'²¹⁰: NS1.WIRECARDAP.Com during 2012. Other examples of pornographic themed sites hosted on Wirecard AP's nameserver 'wirecardap.biz' include during 2013: mynakedworldcup.com, nudeworldcup.com and thenakedworldcup.com.

Wirecard AP's business model has evidenced more extreme levels of pornography. Certain phrases and websites have been specifically omitted. These are available via the Internet Archive WayBackMachine²¹¹.

1330



Figure 82 Domain Tools – July 02, 2012

The billing contact for worldsbestloveronline.com is listed as Kreole Enterprises (Overseas) Limited.

²¹⁰ A nameserver is a server that controls the DNS (Domain Name Servers (DNS) are the Internet's equivalent of a phone book) for a domain. It allows a company to decide which hosting company controls their webspace and email - in this instance it's WirecardAP.com hosting the site and email

²¹¹ www.skykarumba.com (WayBackMachine - Adult Content)

Kreole Enterprises (Overseas) Limited

The evidence above shows that Kreole Enterprises is linked to pornographic sites, and through worldsbestloveronline.com to Concise Global Marketing Ltd, which in turn is linked to kavapoker.net.

1340

This is not the first time Wirecard and Kreole Enterprises have been connected.

Kreole Enterprises and Spin32 and online poker site.

Kreole Enterprises (Overseas) Limited is an account name held with Wirecard Bank. It has historically been used to receive unlawful online poker-gambling funds from U.S. citizens.

An online gambling site, Spin32.com, encouraged all its US players to utilize Wirecard Bank and “*the safe a [sic] secure deposit methods provided*”. This was advertised through to December 21, 2010 ²¹², *some ten months after the U.S. Secret Service investigation into Michael Schütt*.

Spin32.com detailed how money could be transmitted via Wirecard Bank AG to an account opened in the name of **Kreole Enterprises (Overseas) Limited**.

1350

Poker Online US Players Welcome

Spin32.com is proud to accept US Players and we encourage ALL our US Players to use the safe a secure deposit methods provided.

Wire Transfer money to us and play poker.

Wire Transfer is an easy to use, fast and direct way to deposit and withdraw funds into your poker account.

The details for sending an international bank wire to your poker account are below.

As soon as your wire is received it will be converted to USD for final credit to your poker account at the most favourable exchange rate provided by the bank at the time.

Please be aware that it can take up to 3 business days to credit the wired money to your player balance.

Important: Please populate the reference field with this number: 2181660

USD (US Dollars)

Bank Wirecard Bank AG
Account Name KREOLE ENTERPRISES (OVERSEAS) LIMITED
Address Bretonischer Ring 4
85630 Grasbrunn, Germany

Swift/BIC Code WIREDM1XXX (In the US this is the Routing Number or ABA)
IBAN DE90512308000000005984
Account Number 5984

*Remember to put the number 2181660 in the reference field.

EUR (Euros)

Bank Wirecard Bank AG
Account Name KREOLE ENTERPRISES (OVERSEAS) LIMITED
Address Bretonischer Ring 4
85630 Grasbrunn, Germany

Swift/BIC Code WIREDM1XXX (In the US this is the Routing Number or ABA)
IBAN DE20512308000000005983
Account Number 5983

*Remember to put the number 2181660 in the reference field.

Pay Through Bank or Correspondent bank Information:

Bank: WestLB Dusseldorf
Address: Herzogstrasse 15, Dusseldorf, Germany
Swift / BIC Code: WELADEDDXX

If you haven't deposited to our site before be sure to check out our [Promotions Page](#) for our current first time depositors bonus!

Figure 83 Online US Players Welcome

Kreole Enterprises²¹³ is a Cypriot based entity, registered in 2002 that remains active at the time of this report. Kreole Enterprises is closely affiliated with Donald Moffatt, Wirecard's Sales Manager for Australia and the South Pacific.

²¹² [Internet Archive - WayBackMachine - Poker Online US Players Welcome - Spin32Poker](#)

²¹³ [Cyprus Corporate Registry - Reg. Number: HE 134257 - Kreole Enterprises \(Overseas\) Limited](#)

Donald Moffatt – Wirecard's Sales Manager for Australia and South Pacific

We believe that Wirecard AP's Sales Manager, Donald Moffatt owns or controls Kreole Enterprises.

Donald Moffatt
Sales Manager Australia, New Zealand + South Pacific at Wirecard AG
Brisbane, Australia | Financial Services

Send Donald InMail ▾

103 connections

Background

Experience

Sales Manager Australia, New Zealand + South Pacific
Wirecard AG
May 2010 – Present (5 years 10 months) | Brisbane, Australia

wirecard

Figure 84 Donald Moffatt LinkedIn profile

1360 Donald Moffat²¹⁴ is currently Wirecard's Sales Manager for Australia and South Pacific. He is also the sole owner of SkyKarumba Pty Ltd, an Australian registered company²¹⁵.

Current & Historical Company Extract

SKYKARUMBA PTY LTD
ACN 098 504 119

Officeholders and Other Roles	Document Number
Director <p>Name: DONALD CAMPBELL MOFFATT</p> <p>Address: 21 Hilton Esplanade, TEWANTIN QLD 4565</p> <p>Born: 14/08/1957, NAMBOUR, QLD</p> <p>Appointment date: 22/10/2001</p>	7E6517476

Figure 85 SkyKarumba Australian Accounts

Moffatt is associated with an extensive list of extreme pornographic sites. This association commenced as early as 2001. For example, the site, sexfuckingbad.com, was hosted on the SkyKarumba site as early as 2001²¹⁶. As we show below, it was updated in 2015 and is also associated with Kreole Enterprises, which is reported as the registrant organization for the site.

²¹⁴ [LinkedIn Profile - Don Moffatt](#)

²¹⁵ [Australian Securities and Investments Commission - SkyKarumba](#)

²¹⁶ [WayBack Machine: List of pornographic sites linked to Donald Moffatt's SkyKarumba](#)

Domain:
sexfuckingbad.com

Record Date: 2016-02-11
 Registrar: FABULOUS.COM PTY LTD.
 Server: whois.fabulous.com
 Created: 2001-10-12
 Updated: 2015-12-26
 Expires: 2016-10-12

Reverse Whois:
abuse@fabulous.com  support@kreoletrading.com 

```
Domain Name: sexfuckingbad.com
Registry Domain ID: 78531673_DOMAIN_COM-VRSN
Registrar WHOIS Server: whois.fabulous.com
Registrar URL: http://www.fabulous.com
Updated Date: 2015-10-01T05:32:47Z
Creation Date: 2001-10-12T01:14:37Z
Registrar Registration Expiration Date: 2016-10-12T00:00:00Z
Registrar: FABULOUS.COM PTY LTD.
Registrar IANA ID: 411
Registrar Abuse Contact Email: abuse@fabulous.com
Registrar Abuse Contact Phone: +61.730070015
Reseller: N/A
Domain Status: clientDeleteProhibited
Domain Status: clientTransferProhibited
Registry Registrant ID: N/A
Registrant Name: KREOLE ENTERPRISES (OVERSEAS) LIMITED
Registrant Organization: KREOLE ENTERPRISES (OVERSEAS) LIMITED
```

1370

Figure 86 Donald Moffatt and Kreole site: www.sexfuckingbad.com

Evidence shows that Donald Moffatt also uses Wirecard Asia Pacific's nameserver to host the site, kiwiretailzone.com, on behalf of his company, SkyKarumba.

Domain **kiwiretailzone.com**:
 Skykarumba Pty Ltd
 239 Milton Rd
 Milton, QLD 4064 AU

Administrative contact:
 Technical contact:
 Billing contact:
 Skykarumba Pty Ltd
 Skykarumba Pty Ltd
 admin@skykarumba.com
 239 Milton Rd
 Milton, QLD 4064 AU
 Phone: +61.7 3367 2988
 Fax: +61.7 3367 2988

Record dates:
 Record created on: 2011-10-13 03:20:00 UTC
 Record modified on: 2012-10-14 19:35:01 UTC
 Record expires on: 2012-10-13 UTC

Nameservers:
 ns1.wirecardap.com
 ns2.wirecardap.com

SkyKarumba Pty Ltd is current Wirecard Employee
Donald Moffatt's company and is still active and registered in Australia - sole owner.

Wirecard Asia Pacific NameServer



Figure 87 KiwiRetailZone.com Registered to SkyKarumba.com of SkyKarumba Pty Ltd.

Evidence Suggesting Wirecard AP's Sales Manager Owns or Controls Kreole

Another entity where Moffat was a director²¹⁷ is EzyTrans Limited between 2007 and 2014. EzyTrans was a prepayment card website called www.ezytrans.com²¹⁸. We believe that EzyTrans is still operating as Invoc²¹⁹.

inactive DONALD CAMPBELL MOFFATT , director, 🇬🇧 inactive EZYTRANS LIMITED (Cyprus, 16 Jun 2007-12 Mar 2014)
 inactive DONALD CAMPBELL MOFFATT , director, 🇬🇧 inactive SKYKARUMBA SOUTH PACIFIC LIMITED (United Kingdom, 7 Oct 2004-11 Jul 2006)
 inactive DONALD CAMPBELL MOFFATT , director, 🇬🇧 inactive SKYKARUMBA (UK) LIMITED (United Kingdom, 8 Oct 2004-11 Jul 2006)
 inactive DONALD CAMPBELL MOFFATT , director, 🇬🇧 inactive TRAINER TRACK LIMITED (United Kingdom, 13 Jan 2005-17 Oct 2006)

1380

Figure 88 Donald Moffat Companies²²⁰

The EzyTrans domain was initially registered to Kreole Enterprises, with the billing contact as Moffat's SkyKarumba. EzyTrans domain was then transferred to Wirecard Asia Pacific in May 2011, where Arnold Marcellana, Wirecard's Risk and Compliance Officer became the billing contact. Thereafter, the company transferred to Concise Global Marketing in March 2013, and finally back to SkyKarumba in May 2013.

<p>Domain Name: ezytrans.com Registry Domain ID: 479102315_DOMAIN_COM-VRSN Registrar WHOIS Server: whois.fabulous.com Registrar URL: http://www.fabulous.com Updated Date: 2013-05-17T00:27:45Z</p> <p>Registrant Name: Skykarumba Pty Ltd Registrant Organization: Skykarumba Pty Ltd Registrant Street: 239 Milton Rd Registrant City: Milton Registrant State/Province: QLD Registrant Postal Code: 4064 Registrant Country: AU Registrant Phone: +61.733672988 Registrant Phone Ext: N/A Registrant Fax: +61.733672988 Registrant Fax Ext: N/A Registrant Email: skykarumba@gmail.com Registry Admin ID: N/A</p>	<p>Domain ezytrans.com: Concise Global Marketing Ltd The Circle Douglas, 1118 IM</p> <p>Administrative contact: Technical contact: Billing contact: Concise Global Marketing Ltd Max thelord@hushmail.com The Circle Douglas, 1118 IM Phone: +44.999999999 Fax:</p> <p>Record dates: Record created on: 2006-06-09 15:07:28 UTC Record modified on: 2013-03-24 02:48:52 UTC Record expires on: 2013-06-09 UTC</p>	<p>Domain ezytrans.com: KREOLE ENTERPRISES (OVERSEAS) LIMITED 15 Them. Dervi Str Margarita House 1st Floor, Fl Nicosia, CY 1642 CY</p> <p>Technical contact: Billing contact: Skykarumba Pty Ltd Skykarumba Pty Ltd admin@skykarumba.com 239 Milton Rd Milton, QLD 4064 AU Phone: +61.7 3367 2988 Fax: +61.7 3367 2988</p> <p>Administrative contact: KREOLE ENTERPRISES (OVERSEAS) LIMITED KREOLE ENTERPRISES (OVERSEAS) LIMITED support@kreoletrading.com 15 Them. Dervi Str Margarita House 1st Floor, Fl Nicosia, CY 1642 CY Phone: +357.407370133 Fax: Updated: 2008-05-20</p>
<p>Domain ezytrans.com: Wirecard Asia Pacific, Inc. 25/F Yuchengco Tower 1 RCBC Plaza Ayala Avenue Makati City, Metro Manila 1226 PH</p> <p>Administrative contact: Technical contact: Billing contact: Wirecard Asia Pacific, Inc. Arnold Marcellana arnold.marcellana@aspaconline.com 25/F Yuchengco Tower 1 RCBC Plaza Ayala Avenue Makati City, Metro Manila 1226 PH Phone: +632.8564421 Fax: Updated: 2011-05-28</p>		

Figure 89 Ownership of EzyTrans Domain with dates from Whois Records

²¹⁷ OpenCoporates.com SkyKarumba

²¹⁸ WayBackMachine www.ezytrans.com

²¹⁹ www.invoc.com.au E Commerce Mobile Solutions (stored on WayBackMachine) :the Invoc website states "We have embarked on a new project called EZYTRANS which is aimed at both developing and developed worlds and provide an easier alternative to payments than using a credit card."

²²⁰ [Open Corporates](http://OpenCorporates.com) Donald Moffat

The hosting of pornographic domains on Wirecard's nameserver and connections to Kreole Enterprises raises questions and concerns:

The longstanding overlap between Wirecard, Marcellana, Donald Moffatt, Kreole Enterprises, Concise Global Marketing, and each parties association to pornographic or poker related sites and payment transfers should set alarm bells ringing with investors and regulators.

We believe that due to the obfuscation of ownership of pornographic sites, it is difficult to separate whether Wirecard, its current employees or companies associated with breaching the Wire Act are all acting in unison.

The apparent transfer of ownership of EZYTRANS, a payment processor, from Kreole Enterprises, to Wirecard Asia Pacific, to Concise Global Marketing, and then to SkyKarumba, demonstrates that the business relationship is so distorted it exposes Wirecard and its shareholders to unknown risk in terms of potential fines or sanctions.

The distorted ownership of EZYTRANS between Wirecard AP, Kreole Enterprises, SkyKarumba (current employee Don Moffatt) and Global Concise Marketing, is identical to the incestuous business relationships in other divisions of the group.

GI Retail

The Acquisition of GI Retail

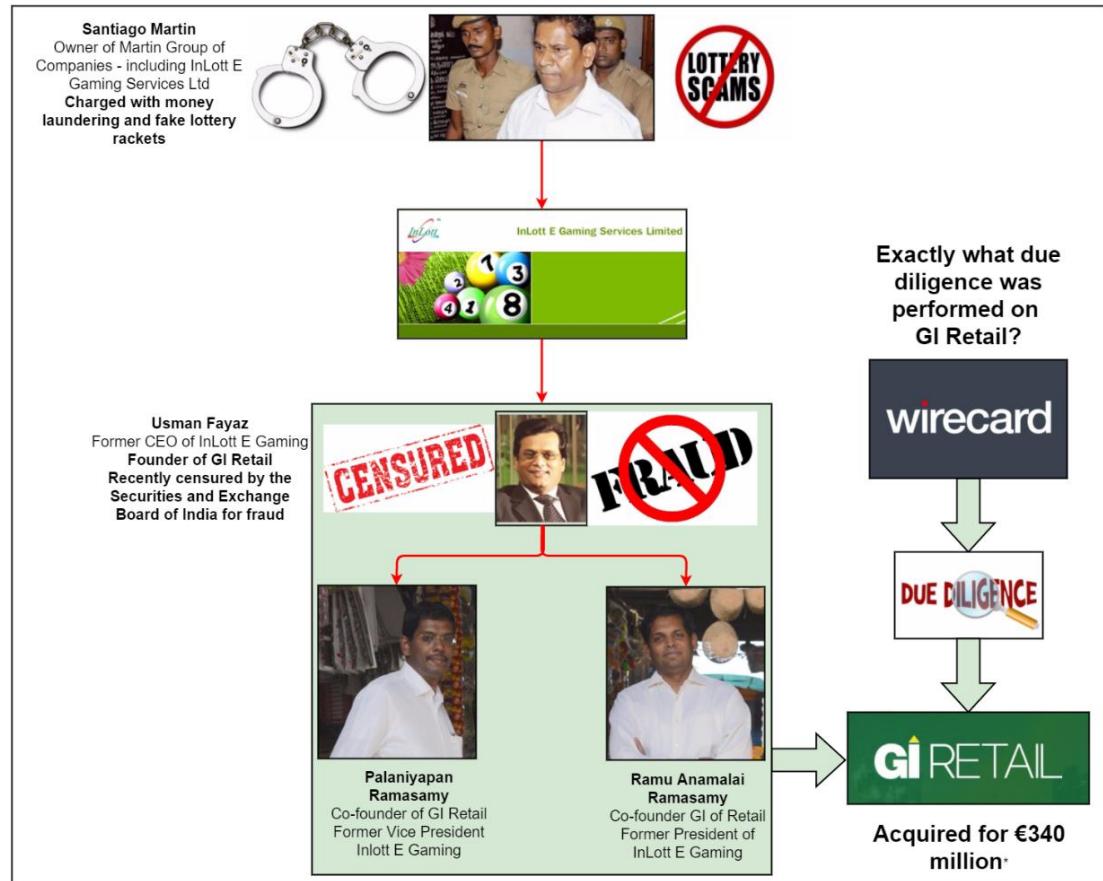


Figure 90 Former and current business associates of the GI Retail 'founders'

Wirecard acquired the GI Retail Group for up to €340 million²²¹ in October 2015.

Evidence reveals that:

- The management of GI Retail, Ramu Ramasamy and Palaniyapan Ramasamy, formerly managed a lottery business that was owned by Santiago Martin.. Martin is at the center of an ongoing investigation into scam lotteries and money laundering.
- The founder and likely underlying selling shareholder of GI Retail, Usman Fayaz, has recently been censured by the Securities Exchange Board of India for fraud.
- Wirecard appear to have performed minimal due diligence on GI Retail, thus demonstrating a failure of corporate governance and the fiduciary duty to Wirecard's shareholders.
- There is a significant lack of value in GI Retail when compared to peers with a greater standing in the Indian payments market. Peers are valued at close to one-tenth the GI Retail cost to Wirecard.

²²¹ The consideration is €230 million in cash plus earn-outs of €110 million linked to 'the overall financial performance of the acquired businesses in calendar years 2015 to 2017.'



Figure 91 Background information of founders of GI Retail from GIRetail.com

"GI Retail Private Limited and its group companies were founded by Ramu Anamalai Ramasamy and Palaniyapan Ramasamy.²²²"

Reality: It's not altogether true.

The current GI Retail website indicates that Ramu and Palaniyapan Ramasamy are GI Retail's founders. Although earlier evidence makes no mention of the Ramasamys, suggesting the driving force was Usman Fayaz²²³.

Figure 92 GIREtail website showing its original founder. Note no mention of the Ramasamy brothers

²²² www.GIRETAIL.com

²²³ Note that his son has a similar name 'Fayaz Usman', and Source: Bloomberg - Mr. Fayaz Usman Faheed has been the Managing Director and Compliance Officer of Onesource Techmedia Limited

Usman Fayaz

Usman Fayaz is:

- The founder of GI Retail.
- A former director of GI Retail.
- A long standing business associate of the Ramasamy brothers.
- According to the Securities and Exchange Board of India, a fraudster²²⁴.

The Ramasamy brothers' complete resume

Ramu and Palaniyapan Ramasamy have a long standing relationship with Fayaz. He was their former employer at a lottery gaming business, InLott Technologies in the early 2000s. Strangely, neither of the Ramasamy brothers mentions their employment as President (Ramu) and Vice-President (Palaniyapan) of InLott, either in the GI Retail biography information, nor in their LinkedIn profiles.



Palaniyapan RM

Entrepreneur, Promoter of Hermes / The Smart Shop, Get My Trip & GI Technology - I Cash Chennai Area, India | Information Technology and Services

Current Hermes (Get My Trip and The Smart Shop), I Cash - GI Technology

Education PSG College of Technology

[Send Palaniyapan InMail](#) 362 connections

Background

 Experience

Founder & Executive Director
Hermes (Get My Trip and The Smart Shop), I Cash - GI Technology
May 2006 – Present (9 years 10 months) | Chennai Area, India

What about InLott Technologies????

 Education

PSG College of Technology
BE, Mechanical
1996 – 2000



Figure 93 Palaniyapan Ramasamy LinkedIn profile

InLott Gaming:

- Chairman/Owner: Santiago Martin²²⁵
- Chief Executive: Usman Fayaz²²⁶
- President: Ramu Ramasamy²²⁷
- Vice-President: Palaniyapan Ramasamy²²⁸

InLott was a unit of the Martin Lottery Agencies ("MLA").

²²⁴ Fayaz has a history of fraud. Evidence that follows reveals his latest censure, however, his involvement in fraud appears to have begun as early as 1992 when he was named by the Crime Branch of the Delhi Police in relation to fraudulent lotteries.

²²⁵ [Lottery Insider](#)

²²⁶ [Martin Group inks gaming solution pacts in UAE, Liberia](#)

²²⁷ [Ibid](#)

²²⁸ [Microsoft case study on InLott](#)

Accusations of money laundering

Given GI Retail's stated offering of money transmittance services, Wirecard shareholders may have concerns over accusations that GI Retail's management team's previous company has been alleged to be involved in money laundering.

1440

According to the Times of India^{229,230}:

The screenshot shows a news article from The Times of India. The header includes 'Indiatimes | The Times of India | The Economic Times' and 'THE TIMES OF INDIA CITY NEW E-LITES CURV'. Below the header is a navigation bar with links for City, Kochi, Crime, Civic issues, Politics, Schools & Colleges, and Events. The main title of the article is 'Money laundering key to Martin's lottery'. The article text begins with: 'T HIRUVANANTHAPURAM: The CBI probe into lottery scam involving lottery dealer Santiago Martin has found out that Sikkim state lottery was widely used for money laundering.' Below the article, there is a sidebar with an advertisement for Audible audiobooks and a link to www.fasttrackreclaim.com. The footer of the page includes a timestamp 'K P Sai Kiran | TNN | Aug 6, 2014, 12:32 AM IST', and icons for email, print, and font size adjustment.

Figure 94 Santiago Martin lotteries and the allegations of money laundering

Does Wirecard's board believe that the Chief Executive, President and Vice President of Martin's lottery business had no knowledge of the alleged money laundering?

Does Wirecard's Board even know?

²²⁹ [Times of India: Money laundering key to Martin's lottery](#)

²³⁰ The CBI is the 'Central Bureau of Investigation' – India's equivalent of the FBI

GI Retail founder's fraud

As highlighted, earlier versions of the GI Retail website and other sources suggest the close involvement of Usman Fayaz with the group. It is possible that Fayaz's recent censure for fraud resulted in his name being removed from having any association with the group.

The Securities and Exchange Board of India ("SEBI") issued the following release on September 10, 2015²³¹



प्रेस विज्ञप्ति
PRESS RELEASE

संपर्क प्रभाग, सेबी भवन, बांद्रा कुला कॉम्प्लेक्स, बांद्रा (पुर्व), मुंबई - 400 051
Communications Division, SEBI Bhavan, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
दूरध्वाप / Tel: +91-22-26449000 ईमेल / email:press@sebi.gov.in वेबसाइट / website: www.sebi.gov.in

PR No. 228/2015

Order in respect of Popular Agro Farms Pvt Ltd. and its Directors

Shri S. Raman, Whole Time Member, SEBI, has passed an order on September 08, 2015 under Sections 11(1), 11(4) and 11B of the Securities and Exchange Board of India Act, 1992 read with Regulation 65 of the SEBI (Collective Investment Schemes) Regulations, 1999 in the matter of Popular Agro Farms Pvt. Ltd. and its Directors.

The Order *inter alia* directed Popular Agro Farms Pvt. Ltd. and its Directors viz. Mr. Usman Pasha Usman Fayaz and Mr. Niyaz Hyder Ali :

- not to collect any fresh money from investors for its existing schemes and not to launch any new schemes/plans or float any new companies to raise fresh moneys;
- not to dispose of any of the properties or alienate the assets of the existing schemes, not to divert any funds raised from customers/investors, kept in bank account(s) and/or in the custody of the company and to immediately submit the full inventory of the assets owned by Popular Agro,
- to furnish all the information sought by SEBI, including scheme-wise amount mobilized since inception till date, details of scheme-wise list of customers/investors, list of investors who have been refunded and Audited financial statements for last three years, and
- to furnish the item-wise commission paid to agents/investors for the promotion of the scheme(s), since inception till date.

Popular Agro Farms Pvt. Ltd., a company having its registered office at Plot No.1 & 2, Lake Area, Melur Main Road, Madurai 625 107, was found mobilizing funds from the investors under its schemes, *prima-facie* violating the provisions of the SEBI Act and SEBI (Collective Investment Schemes) Regulations, 1999. This Order shall come into force with immediate effect.

The full text of the order is available on the website: www.sebi.gov.in

Mumbai

September 10, 2015

Figure 95 Securities and Exchange Board of India censure order against Usman Fayaz

Does Wirecard's board take any concern that the founder and likely selling shareholder of GI Retail has recently been censured for fraud by the Securities and Exchange Board of India?

Does Wirecard's Board even know?

²³¹ [SEBI censure order against Usman Fayaz](#)

The evidence reveals that Usman Fayaz ran this ‘scheme’ from 1993 to 2015 without concerning himself with the details of regulation.²³²

The full SEBI ruling reveals a key paragraph:

It is further noted that Mr. Usman Pasha Usman Fayaz is the Managing Director and Mr. Niyaz Hyder Ali is the director of Popular Agro. The activity of illegal mobilization of funds by sponsoring or causing to be sponsored or carrying on or causing to carry on any collective investment scheme by any person amounts to a fraudulent practice in terms of Regulation 4(2)(t) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities Market), 2003. Considering the fact that no prior registration was obtained by Popular Agro in respect of the aforesaid activities in the nature of collective investment scheme, I am of the view that Popular Agro is illegally mobilizing funds from the public, which prima facie amounts to a fraudulent practice in terms of Regulation 4(2) (t) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice Relating to Securities Market) Regulations, 2003, which reads as follows:

“Dealing in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include illegal mobilization of funds by sponsoring or causing to be sponsored or carrying on or causing to be carried on any collective investment scheme by any person”.

1470

In essence, the SEBI found Fayaz to be running an unauthorised collective investment scheme based on tree plantations – i.e. a fraudulent practice.

Given the SEBI findings, we believe Wirecard should never have considered the GI Retail acquisition - let alone consider it of any value.

²³² [SEBI censure order against Usman Fayaz](#)

Money on Mobile

We provide the following to give investors a feel for the ‘overpayment’ that we believe Wirecard is making. Money on Mobile (‘MoM’) is an Indian company controlled by Calpian Inc., a Texas (USA) company listed on the US bulletin board²³³.

	GI Retail Group	Calpian / MoM
Number of outlets	90,000 – 100,000(alleged)	270,000 ²³⁴ plus
Transaction value		Current run rate of approx. \$60-70m per month i.e. \$700m per yr.
Transaction volume per month	6M ²³⁵	8M+
Staff	900	300
Valuation	Euro 230M + Euro 110M earn outs	\$24- 28M (listed as CLPI US)
Accounts	Accounts across multiple entities with no clarity on what Wirecard is buying or ownership structure. Indian GAAP	Filed with SEC / US listed parent; US GAAP

Figure 96 Based on Wirecard and Calpian Press Releases and company presentations

1490

We should also mention at this time that our investigators within India have found multiple MoM locations but have had difficulty finding even one GI Retail location (under any of its various brands)²³⁶.

We question as to how GI Retail Group appears to do the same volume of transactions as MoM, with 1/3 the retail outlets. It would appear that the GI Retail Group has outlets that are 6x more productive than MoM.

Investors and investigators may wish to refer to the comparison undertaken by the Financial Times between GI Retail and Suvidhaa²³⁷.

We Believe Investor And Investigators Should Be Concerned That:

1. InLott’s management (now at GI Retail) and the Martin Lottery Group have never separated.
2. Given the vast amounts that the Martin Lottery Group processes each and every day, investors should consider how the money moves around the country. Is the GI Retail / Smart Shop retail network an integral part of the funds movement?

²³³ Company website www.calpian.com

²³⁴ Management of MoM are explicit with investors that the activity levels of each location varies so locations can be active for a number of months, become dormant for a month or more, and then restart.

²³⁵ Based on 200,000 transactions per day x 30 days in an average month.

²³⁶ We recognize that in a country the size of India ‘not finding’ retail outlets is not evidential proof.

²³⁷ See FT AlphaVille Rupee-do-what-is-Wirecard-buying

Evidence of a Lack of Due Diligence By Wirecard

1500

During our investigations, we found GI Retail's Webalizer²³⁸ results for its servers.

This gave access to a 'webalizer' script²³⁹ running on giretail.com's website and to the number of visitors on this specific website.

The consequences of this are:

1. We are able to compare the alleged number of visitors to at least this website versus GI Retail's claimed volumes.
2. Able to see when Wirecard had visited the site.

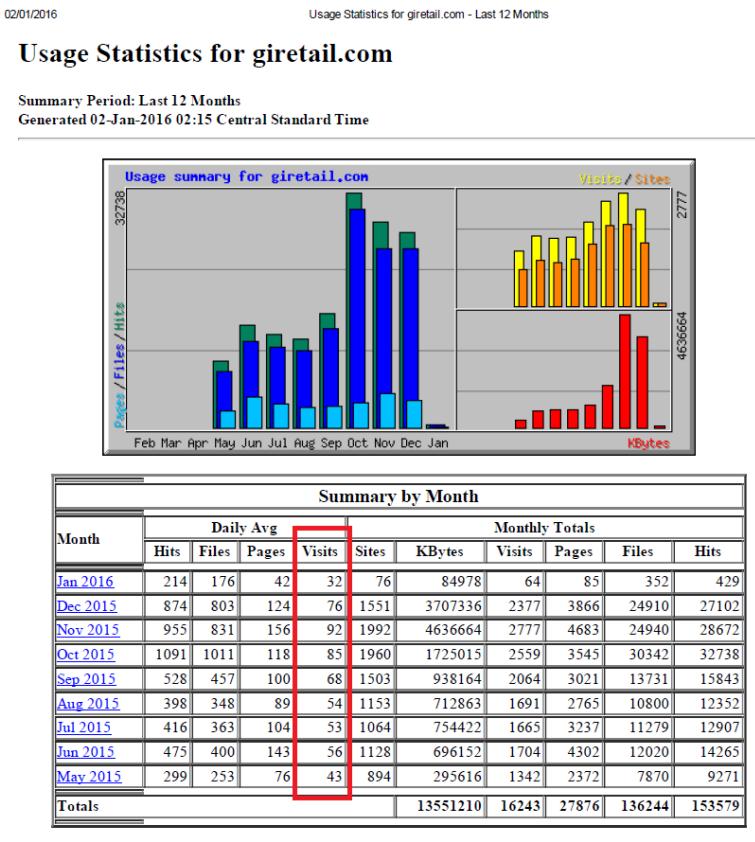
Visitor Volumes

According to Wirecard, GI Retail undertakes 200,000 transactions per day.

1510

Is it likely that a company with 90 or so average daily visitors to one of its websites really undertakes 200,000 transactions per day?

The following figure shows monthly volumes for giretail.com. The key data is the average visits per day – these are averaging around 52 per day until Sep and then started increasing to about 90 per day. We believe that there are two reasons for the increase – (i) the announcement of the acquisition of GI Retail by Wirecard and (ii) webalizer.



Generated by [Webalizer Version 2.01](#)

Figure 97 Monthly usage stats for giretail.com

²³⁸ We found the webalizer utilizing the following search in google – 'Wirecard site:giretail.com'.

²³⁹ Webalizer is standard software routinely installed as part of a webserver installation.

Who are the Visitors To Giretail.Com

Webalizer is a standard internet server script that collects data. As a consequence it is possible to reveal interesting facts about giretail.com's visitors, namely Wirecard.

1520

In the following table we show the webalizer logs:

Month (2015)	Total Visits	Visits per day (average)	% usage from India
May	1342	43	23%
June	1704	56	22%
July	1665	53	22%
Aug	1691	54	21%
Sep	2064	68	17%
Oct	2559	85	8%
Nov	2777	92	12%
Dec	2377	76	8%

Figure 98 Visitors and usage from giretail.com webalizer logs

The pie chart (Fig.99) for Dec 2015 is illustrative of the webalizer breakdown of usage of the giretail.com website.

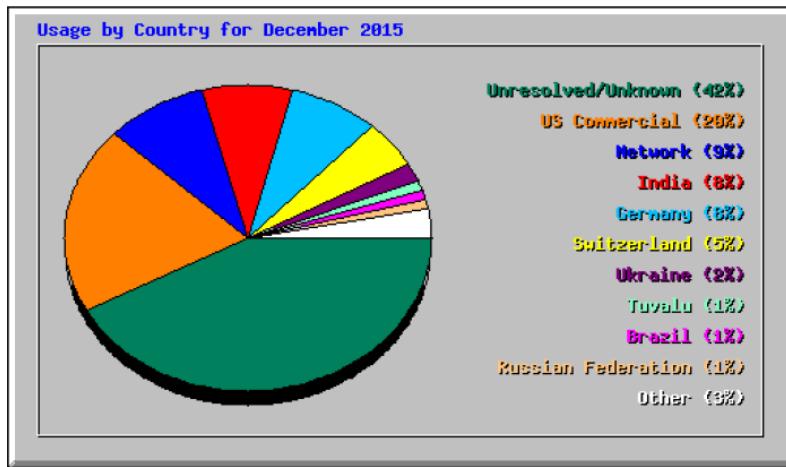


Figure 99 December users by country for GI Retail²⁴⁰

We evidence where users come from. We highlight December 2015 logs.

In the figure 100 we provide the list of top 30 referral sites for giretail.com for Dec 2015²⁴¹. Readers will note that Google India appears at 2, 6, 14 and 19.

²⁴⁰ Following table is derived from data from giretail.com's webalizer logs.

²⁴¹ This is from the giretail.com webalizer log for Dec 2015. Note that it is sorted by 'hits' not visitors

Top 30 of 336 Total Referrers			
#	Hits		Referrer
1	513	1.89%	http://permethrinonline.weebly.com
2	234	0.86%	https://www.google.co.in/
3	140	0.52%	http://kamod.biz/
4	50	0.18%	https://www.youtube.com/watch
5	39	0.14%	http://top1-seo-service.com/trv.php
6	36	0.13%	https://www.google.co.in
7	33	0.12%	https://www.google.com.ph/
8	28	0.10%	https://www.google.com/
9	24	0.09%	http://7sd37gdvbgvxx6fgkj.com
10	20	0.07%	http://balussie.com
11	16	0.06%	http://xn--d1acaljdg1eabb1c0a4k.xn--p1ai/
12	15	0.06%	http://auto4style.ru/
13	14	0.05%	http://mriyadh.com/
14	14	0.05%	http://www.google.co.in/ur/
15	12	0.04%	http://alborzan.com/
16	12	0.04%	http://gardene.ru/
17	12	0.04%	http://platesauto.com/
18	12	0.04%	http://www.ekspertmed.com/
19	12	0.04%	http://www.google.co.in/search
20	12	0.04%	http://www.rvtv.ru/
21	12	0.04%	https://www.google.co.uk/
22	11	0.04%	http://www.24videos.tv/
23	11	0.04%	http://zojirushi-products.ru/
24	10	0.04%	http://bimatoprost-careprost.com/
25	10	0.04%	http://brendbutik.ru/
26	10	0.04%	http://webcache.googleusercontent.com/search
27	10	0.04%	http://www.shoppingmiracles.co.uk/
28	9	0.03%	http://blockworld.ru/
29	9	0.03%	http://buttons-for-website.com
30	9	0.03%	http://chcu.net/pomo-video-2016/

1530

Figure 100 Top 30 referral sites for giretail.com for Dec 2015

Wirecard Due Diligence

It is established from the Webalizer logs how many times Wirecard has visited the main corporate site for GI Retail.²⁴²

Month (2015)	Visits from domain name wirecard.de recorded in top 30 visitors at giretail.com
May	3
Jun - Aug	None recorded in top 30
Sep	6
Oct	9
Nov	17
Dec	None recorded in top 30
Jan (2016 – incomplete month)	None recorded in top 30

Figure 101 Table based on analysis of Webalizer weblogs.

²⁴² The webalizer log is produced on the basis of the number of ‘hits’.

We believe that Wirecard did not conduct sufficient due diligence to warrant any such acquisition, certainly not €340 Million Euro.

GI Retail's own records suggest Wirecard visited 18 times prior to committing the majority of shareholder funds to such a deal.

Notwithstanding the significant concerns we have already established for the conduct of associated GI Retail parties, we believe the transaction to be worthless.

The GI Retail Acquisition Raises Questions and Concerns:

The lack of due diligence performed by Wirecard on GI Retail is evident.

That GI Retail's founders directly worked beneath or in conjunction with one of India's most renowned money launderers and lottery scam artists, 'the Kingpin', should raise considerable concern with Wirecard's shareholders.

These concerns are compounded when considering that GI Retail's founder and likely underlying seller is a fraudster.

The risk is that a significant element of transactions processed by the GI Retail Group relates to illegal or unlicensed lotteries or illegal transfers across country borders.

We believe that the Prepaid Payment Instrument (PPI) and the Full Fledged Money Changers (FFMC) licenses from the Reserve Bank of India are at risk.

Shareholders have likely seen €230 Million disappear.