

WHAT COMMON THREAD LINKS ALFRED REDL, ALDRICH AMES AND SULTAN ISSA? BETRAYAL.

According to the Department of Justice, Sultan Issa, the former Chief Financial Officer of a group of partnerships, corporations and trusts owned by a Chicago-area family, recently pled guilty to embezzling over \$65 million. “Simply, I lied to a lot of people and I stole their money,” Issa told U.S. District Judge Andrea Wood. “And financial institutions as well.” Issa used his position of trust to steal money to fund his lavish lifestyle for nearly a decade. How did his actions go unnoticed for so long?

As I discussed in my August 2019 blog [The Importance of Conducting Your Own Due Diligence](#), it is imperative that family offices and high net worth individuals assess and reassess those in positions of trust – from the nanny to the financial advisor. The wisdom of a periodic reinvestigation is used by the U.S. federal government for those with security clearances. When the risk is great, steps must be taken to mitigate those risks. While Issa’s actions may not rival the betrayal by the military officer [Alfred Redl](#) that resulted in the death of 500,000 Austrians or unexplained “disappearances” of Soviet assets, the impact of his actions is significant.

It is likely that Issa’s activities could have been discovered earlier with a routine background check. Unexplained affluence is extremely telling as shown by the investigation into [Aldrich Ames](#), a government employee, who in the 1990’s, earning around \$60,000 a year was somehow able to afford flashy new clothes, paid cash for a home in Arlington, Virginia and purchased a brand-new Jaguar. An investigation revealed that the CIA officer had turned KGB double agent. In the case of Issa, the [DOJ noted](#) that he had “25 residential properties in Illinois, Montana, Michigan, and Cabo San Lucas, Mexico, two private aircraft, four yachts, approximately 60 firearms, and assorted watches, jewelry and memorabilia.” While it may be common for a successful CFO to own more than one property, this portfolio may have, at the very least, raised a caution flag.

Background checks can be performed quickly and affordably and can provide family offices with the knowledge required to make informed decisions about those who are employed in positions of trust. I encourage all high net worth individuals to ask themselves when the last time was that they conducted a check on their advisors and staff. If the

answer is *never* or more than 18 months ago, you could be placing yourself and/or your assets at risk.



CODY SHULTZ PCI, CCI

Director, Investigations + Private Client Protection

Cody Shultz serves as a director of investigations and private client protection for Guidepost Solutions and is based in the D.C. office. Having served with the Central Intelligence Agency, he is now sought out as an expert on reputation and identity management for ultra-high net worth clients and family offices. He holds a Professional Certified Investigator certification through ASIS International and is a Certified Cryptocurrency Investigator.