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WTC brokers charged with 100M scam

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Two executives of a World Trade Center brokerage were indicted yesterday on charges of stealing $100 million from investors, a theft discovered after the Sept. 11 terror attacks.

The feds said Andrei Koudachev and Gary Farberov used two companies on the 15th floor of Tower 2 — First Equity Enterprises and Evergreen International Spot Trading — to fleece 1,400 investors in 14 countries.

"This case involves a brazen scheme to rip off investors of over $100 million using an international shell game," said Brooklyn U.S. Attorney Alan Vinegrad.

The scam came to light after the twin towers were destroyed and concerned investors began trying to cash out their accounts.

Vinegrad said the two suspects "lied again to concerned investors, lulling them into believing that their money was secure and then plotting yet another scheme to solicit new investments to pay off existing ones."

Evergreen was a foreign-exchange trading firm. First Equity was the clearinghouse for Evergreen and issued statements and paid money out to clients.

Koudachev, 38, who is believed to have fled to Russia, owned both firms, which employed about 100 people. The companies were in operation since 1997.

Farberov, 32, of Brooklyn, was president of First Equity. He surrendered to authorities yesterday and pleaded not guilty. He was released on $500,000 bail.

Money for furs, jewels

The looted funds coursed through a maze of bank accounts in New York, Chicago, Switzerland, Austria, Hungary, Australia and New Zealand, prosecutors said. Authorities said they have located about $5.5 million of the missing funds.

The two-count indictment obtained by Assistant U.S. Attorney Linda Lacewell charges both men with conspiracy to launder money and commit mail fraud.

At least $500,000 of the missing cash allegedly went to pay for jewelry and furs for a female underling of Koudachev, according to a civil complaint filed in the same case.

Many victims were solicited through cold calls to wealthy investors that falsely touted results from investing in the spot foreign currency market, prosecutors said.



Gary Farberov

Two employees go public

A civil suit in the case was filed on behalf of Dirk Karreman, a wealthy Australian land developer who lost almost $2 million.

Karreman's lawyer, James McGuire, also represents two former First Equity employees, Justin Fauci and Mamed Mekhtiev. They went to authorities after Farberov told them the investment firm was insolvent, and he was planning a new scam to raise funds to pay off old investors.

According to the civil suit, Farberov met with Fauci at the Marine Park Golf Course on Sept. 22 and told him "all of the clients' money . . . is gone" and that "they were never going to see [Koudachev] again."

Farberov then allegedly disclosed a scheme to solicit new clients.

McGuire said Fauci and Mekhtiev are cooperating fully with with authorities.

"I represent two guys who thought everything was fine on Sept. 18 or 19, and then they were asked to involve themselves in a conspiracy to obstruct justice," McGuire said.

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