



LGT: Illegally disclosed data material limited to the client data stolen from LGT Treuhand in 2002

Further information about the offender and the circumstances of the data theft

Vaduz, 24 February 2008 – As already assumed in the first media communiqué issued by LGT Group on 15 February 2008, in as far as LGT is concerned, the data material illegally disclosed to the German authorities is limited, with almost complete certainty, to the client data stolen from LGT Treuhand in 2002. On the basis of the indications and circumstantial evidence, LGT is assuming that the data was stolen and illegally disclosed by the same offender. Accordingly, the criminal offence previously registered against a person unknown is to be re-registered directly against the convicted data thief. Now that the facts of the case have become clearer, and on account of the great media interest, LGT is publishing further details about the offender and the circumstances surrounding the theft of the data.

For LGT Group, all the facts now point – despite contradictory statements from sources said to be close to the German intelligence service – to the fact that the data material illegally disclosed to the German authorities is limited, in as far as LGT is concerned, to the client data stolen from LGT Treuhand in 2002. LGT issued a statement on 15 February 2008 about the data theft and the presumed connection with the events in Germany. Even though other rumors have been circulated about these occurrences, LGT Group is assuming on the basis of numerous indications that the person, who illegally passed the data on to the German intelligence service, is the same former employee of LGT Treuhand who stole the data in 2002. Apparently, there is a possibility that law firms were interposed as intermediaries. LGT will now re-register its report of a criminal offence committed by a person unknown directly against the convicted data thief.

Apparently, the stolen data material has also been illegally disclosed, directly or indirectly, to other authorities. According to reports in the media, the previously convicted offender was paid a sum of several millions for the information and was provided with a new identity. LGT regards such methods as being extremely offensive, particularly as it is apparently accepted that the person concerned could also misuse the confidential client data for other criminal purposes.

The data stolen in 2002 comprises various different types of records. They concern approximately 1'400 client relationships of LGT Treuhand, which were established before the end of 2002. The largest proportion, about 600 clients, are resident in Germany. The figure circulated in the media of 4'527 sets of data represents the number of beneficiaries of all the foundations contained in the data material stolen from LGT Treuhand in 2002. The figure should not be confused with the number of clients, who have deposited assets in one or more foundations which in turn have one or more beneficiaries. Furthermore, the generalization put forward in some cases that all the clients affected are tax offenders is to be utterly refuted.

Data theft in 2002 – facts about the offender and the circumstances of the theft

On 15 February 2008, LGT Group announced in a media communiqué that a former employee of LGT Treuhand in Vaduz had stolen client data in 2002; that a criminal case had been registered against him and that he had been subsequently convicted. Furthermore, LGT stated that as a result of contacts between the parties the client data were supposedly returned, and that the data theft related solely to client relationships of LGT Treuhand which had been established up to the end of 2002. The State Court and the Office of the Liechtenstein Public Prosecutor supplemented LGT's communication on 19 February 2008 with information about the relevant legal aspects.

In the meantime, it has become increasingly clear that the so-called „informant“ of the BND German intelligence service is indeed the same convicted data thief who illegally disclosed the client data stolen in 2002. Consequently, and on account of the great interest shown by the media, LGT is now in a position to publish further – from a client perspective partially non-relevant – details regarding the circumstances of the data theft. In order to provide a comprehensive overview, LGT is also publishing information, by way of exception and in consultation with the parties concerned, which does not relate to LGT Treuhand, but rather to other entities.

The former employee, who was convicted of the data theft, is a Liechtenstein citizen named Heinrich Kieber (HK). He was active from October 1999 as an external employee of an IT-company, and from April 2001 to November 2002 as an employee of LGT Treuhand. He was tasked, within the scope of the transfer of data inventories to an electronic archive, with checking the scanned documents. At the time of his recruitment and during his employment with LGT Treuhand, he had not been previously convicted of a crime. However, as would become known later, an arrest warrant had been issued against HK, which was not accessible for examination during the standard checks carried out on new employees.

This arrest warrant was linked to a real estate deal in Spain in 1996, which HK had allegedly financed with uncovered checks, and was issued by the Spanish criminal prosecution authorities in 1997, firstly at national and subsequently at international level. In October 2001, HK was sentenced by the Liechtenstein State Court to pay the injured party a sum of approximately CHF 600'000. HK lodged an appeal against this sentence, which was rejected by the Liechtenstein High Court in October 2002. In November 2002, the Liechtenstein public prosecutor brought a case of serious fraud against HK in connection with the real estate deal in Spain. In the same month, HK left LGT Treuhand and fled abroad. As it later emerged, prior to leaving he had illegally taken client data from his employer and copied them onto four DVDs.

In January 2003, HK sent a letter and a tape cassette to H.S.H. Prince Hans-Adam of Liechtenstein. HK stated that he felt he had been unfairly treated by the judicial authorities. He demanded assistance in solving his legal problems, including the issuing of two new passports, otherwise he would pass on the stolen client data to foreign media and authorities. The demands were rejected, the State Court issued an arrest warrant, and the public prosecutor lodged an indictment against HK. LGT Treuhand succeeded in making contact with HK. In May 2003, it persuaded him to return to Liechtenstein and face the legal consequences. The Liechtenstein High Court assured him of safe conduct up to the date of the court proceedings. Within the scope of the court proceedings, the DVDs with the stolen client data were supposedly returned to LGT Treuhand, which later destroyed them. The costs of legal counsel for HK and of his apartment in Liechtenstein were borne by LGT Treuhand.

In October 2003, HK – who had confessed and shown remorse – was sentenced in the first instance by the Criminal Court to four year's imprisonment for serious fraud, dangerous threats, unlawful compulsion and suppression of documents. Subsequently, in a personal letter to H.S.H. Prince Hans-Adam, HK requested him – in view of his appeal against the conviction – to confirm that he had never felt threatened by HK, which H.S.H. Prince Hans-Adam verified. The final judgment of the High Court in January 2004 convicted HK of serious fraud, unlawful compulsion and suppression of documents, and sentenced him to a term of imprisonment of one year, which was made conditional for a probationary period of three years. The conviction for fraud was based on the previously mentioned real estate deal in Spain; the attempted unlawful compulsion referred to the demands in the letter to H.S.H. Prince Hans-Adam; and the suppression of documents related to the data theft at LGT Treuhand. HK was cleared of the criminal charge of spying in connection with professional or business secrets because the court assumed that at the time of the theft of the client data he did not intend to disclose their contents to foreign entities. The international arrest warrant issued by the Spanish criminal prosecution authorities was rescinded in October 2004 and the criminal proceedings in Spain were suspended in November 2005.

In April 2005, HK addressed another letter to H.S.H. Prince Hans-Adam, in which he petitioned the Prince for a pardon. This request for a pardon was turned down by H.S.H. Crown Prince Alois in agreement with the competent authorities. However, in May 2005, the right to information about the criminal records of HK was restricted to criminal prosecution authorities, which would have occurred ipso jure from January 2006. LGT Group is not aware of HK's present whereabouts. According to reports in the media, he is living under a new identity in Australia.

LGT Group in brief

LGT Group is the wealth and asset management group of the Princely House of Liechtenstein. It has around 1,500 employees in 29 locations in Europe, Asia, the Middle East, and America. As of 30 June 2007, LGT Group's assets under administration totaled CHF 99.7 billion.

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