

# Mastermind of bogus investment funds jailed

Three siblings, 91 assistants also get jail and fine

- By Samir Salama, Associate Editor
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Abu Dhabi: The mastermind of three bogus investment companies received jail terms and fines for running unlicensed businesses that cost thousands of people their hard-earned savings, a court in Abu Dhabi ruled yesterday.

The Abu Dhabi Criminal Court sentenced AANQ to four and a half years in jail and fined Dh150,000 for running an unlicensed investment scheme, better known as Qabalan portfolio, fraud, forgery and recruitment of a foreigner sponsored by another firm.

The defendant's two brothers and a sister as well as 91 assistants each received two years in jail and Dh50,000 fine for aiding and abetting.

Another defendant, KSAA, was jailed for a year and fined Dh50,000.

Thousands of investors, including many on fixed low incomes, say they have lost their life savings in the the bogus multi-million dirham investment portfolios run by the Qabalan, Shandaqawi and United Investments, prosecutors said.

The Qabalan bogus investment cost 1,300 people a total of Dh320 million, with some losing as much as Dh700,000, according to the police.

The defendants allegedly promised investors a monthly return of as much as 40 per cent on their initial investments.

Abu Dhabi Police said the investment scam had operated since 2004 and continued to attract investors until April of this year, when dividends suddenly stopped.

In the Shandaqawi case, the court sentenced SASA, AHAA and NASA each to four years in jail and Dh150,000 fine for appropriation, fraud and running unlicensed business.

Another defendant, KAAB, was sentenced to two years in jail and fined Dh50,000 for aiding and abetting and forgery.

The second and third defendants, AHAA and NASA, will be deported after serving their terms.

The schemes, as described by police, is reminiscent of the "case of the missing wallet", in which thousands of people were promised monthly returns of 30 to 40 per cent and lost hundreds of millions.

### **Acquitted**

A defendant in the United Investments case, MFB, was acquitted of appropriation and fraud after the court found he was running a licensed real estate company and showed readiness to pay back investments of his clients.

The rulings can be challenged before the Court of Appeals and the Federal Supreme Court, a source at the Judicial Department said.

The source added once the rulings are final, depositors can file with civil courts demanding compensation.

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