

## **Jailed RBG Resources/Allied Deals Chairman Virendra Rastogi to pay back £30 million**

Virendra Rastogi, who is already serving a nine and a half year sentence after being convicted of fraud in 2008, has been ordered to pay £30 million which will be used to compensate victims.

HHJ Judge Wadsworth QC made the order at Southwark Crown Court after a three and a half day hearing. The Judge imposed a default sentence of nine years, to be served consecutively with his current sentence, if he fails to pay within one year.

*In making the order HHJ Judge Wadsworth said, "It is clear to me that the defendant is a very intelligent and able man and that for much of his adult life he has had absolutely no regard for truth or honesty. The defendant accepts that the whole of his business success was based on deceit...I am satisfied he has by no means discharged the burden upon him. What he has done is to adjust his defence throughout his evidence, both in the trial and in the confiscation hearing, and he used his very considerable intellectual ability to deal with each matter raised as best he could suiting his case as he went along to the matters put before him."*

Virendra Rastogi, [DOB 08.02.68] who had already lost his appeal against sentence, was convicted for his part in a multi million pound fraud involving RBG Resources Ltd. The company also known as Allied Deals Plc, bought and sold consignments of metals from around the world. However, much of the business carried out by the company was a fraud designed merely to obtain loans from banks. Some of the loans were used to gamble on the metals exchange whilst others were used for personal gain or to repay previous bank loans. The pyramid toppled when the fraudsters accidentally faxed ghost orders for metal trades to their auditors. In May 2002 it went into provisional liquidation owing over USD\$420 million.

Rastogi, using some of the proceeds of his crime, purchased a luxury flat in Mayfair, now worth £5 million for his family. The flat was purchased in the name of a trust fund to conceal the true ownership from investigators.

The Court was told how investigators at the SFO found evidence showing hundreds of millions of pounds being moved between Hong Kong, India, Dubai and the USA. Millions could not be traced. Rastogi, when trying to explain where the cash had gone, told the Court he used the Hawala Banking System [see notes to Editors] to disguise the source of the repayments to banks unwittingly providing finance to the fraudsters. By using the Hawala system which often relies on trust and utilises few formal records, Rastogi said he was unable to provide evidence to the Court of exactly where the funds had gone. The Court found that some of the funds had been used to repay loans, but many millions had been hidden by Rastogi.

HHJ Wadsworth QC found Rastogi's benefit from the fraud amounted to £1.06 billion, but his assets, including those he concluded the former Chairman had hidden amounted to £30 million. The order strips Rastogi of all of his assets.

The SFO will shortly be commencing discussions with the Indian authorities to ensure the assets held there, which include a number of properties, are realised to compensate victims.

Richard Alderman, the Director of the SFO, stated *"This is a very good result and concludes a long and complex investigation undertaken by a dedicated team of investigators and prosecutors. It underlines our determination not to shy away from difficult cases in the fight against fraud and corruption."*