

Fraudster faces 90 years in jail

A US court has convicted a businessman who once tried to sue The Sunday Times for libel

Jon Ungood-Thomas and Duncan Campbell

A multimillionaire businessman who tried to quash a Sunday Times investigation with a £600,000 libel case faces prison sentences of up to 90 years after being convicted in America of fraud. Raheem Brennerman, 39, who has homes in Britain and America, unveiled a scheme in 2007 to develop one of London's most exclusive neighbourhoods - a terrace called Grosvenor Crescent in Belgravia. The Royal Bank of Scotland (RBS) lent £146.5m.

In April 2013, The Sunday Times revealed that Brennerman controlled a possible sham offshore trust linked to the London development in which charities were named as the beneficiaries. The charities, which included Cancer Research UK, said they had not benefited from the trust and did not know that their names had been used. Brennerman, a British and Nigerian national, sued The Sunday Times in the High Court in London in August 2014. He said the newspaper had libelled him by falsely suggesting that he controlled a "mysterious" offshore trust and had misused RBS loans.

He hired some of the best lawyers in London, including the legal firm Carter Ruck and the barrister Desmond Browne QC, to defend his reputation as an "entrepreneur" and "philanthropist". Brennerman's case was struck out after a costly legal battle lasting more than 18 months during which The Sunday Times argued that its articles were true and in the public interest.

Brennerman has now been exposed as a fraudster in the US courts, where he was convicted last week of attempting to defraud financial institutions of more than \$300m (£224m). He was found guilty of conspiracy to defraud, bank fraud, wire fraud and visa fraud.

"Raheem Brennerman conned financial institutions and investors into extending loans to his phony businesses," said acting Manhattan US attorney Joon Kim. Prosecutors said Brennerman spent millions of dollars on himself, including "international travel, luxury hotels and fine jewellery".

They said he falsely told potential financiers in a scheme to secure loans from global institutions that his oil firm - Blacksands Pacific - produced more than 10,000 barrels of oil a day and had more than 100m barrels of proven reserves.

In Brennerman's libel case against The Sunday Times, his lawyers demanded aggravated damages because the newspaper refused to remove the article online. He pushed up the newspaper's legal costs, changing lawyers three times and delaying the case with claims of illness.

The libel case was finally struck out in March last year after Brennerman failed to pay £225,000 into court as security for the costs of the newspaper in the event he lost the case.

The Sunday Times delivered a British High Court order to Brennerman for its legal costs of £435,651 while he awaited criminal trial, held at a New York correctional centre. The newspaper also racked up defence costs of more than £75,000 for an unsuccessful defamation case he took in the American courts. Carter Ruck was also not paid its full fees by Brennerman and filed a claim in July last year for £188,552.

Brennerman's sentencing is due to take place on March 9. Maranda Fritz, who represented Brennerman in the criminal case in the American courts, said this weekend that her client would be appealing. @jonungoedthomas

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