



SIGAR | SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

Special Inspector General for Afghanistan Reconstruction Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, July 28, 2022

U.S. Citizen Sentenced to Prison for Running Multimillion-Dollar Ponzi Scheme

Special Inspector General for Afghanistan Reconstruction John F. Sopko announced today that Naim Ismail, formerly of Irvine, California, was sentenced Wednesday to 70 months in federal prison for conspiracy to commit wire fraud in a series of investment schemes that defrauded victims of more than \$15 million.

Ismail, a U.S. citizen and native of Afghanistan, was sentenced by U.S. District Judge Analisa Torres of the U.S. District Court for the Southern District of New York. Judge Torres also ordered Ismail to pay \$10.2 million in restitution to his victims.

Ismail pleaded guilty on July 12, 2021, to one count of conspiracy to commit wire fraud.

According to a federal indictment, court filings, and statements made in court, Ismail conducted his fraud from February 2007 through July 2016. He induced individual and corporate victims – including the New York-based subsidiary of an Afghanistan-based bank – to loan large sums of money to entities operated by Ismail and others.

“Although the United States is no longer in Afghanistan, the U.S. justice system continues to work to hold individuals accountable for financial crimes committed in violation of U.S. laws,” said Special Inspector General Sopko.

“This case is especially egregious in that the crimes Mr. Ismail committed, in addition to harming U.S. citizens, also sought to exploit Afghanistan’s struggling financial sector. I’m pleased that SIGAR special agents and our investigative partners brought him to justice.”

In his schemes, Ismail claimed investor funds would be used in a particular investment strategy, as well as in several real estate development projects. He promised investors a generous fixed annual rate of return and to return investors’ principal on a set timeline.

In reality, Ismail and his companies did not invest these funds as promised, nor did he repay many of his victims. Instead, he used investor funds to pay the so-called interest payments due on earlier investments in the scheme, as well as to pay for his own expenses and investments.

SIGAR investigated the case in partnership with Homeland Security Investigations, with assistance by the FBI. It was prosecuted by the U.S. Attorney's Office for the Southern District of New York.

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