

'Sisters of Mercy'

The Story of Rana Koleilat and Joumana Ayyas

■ Omar Nashabe

Criminologist

On March 15, 2006, Rana Koleilat was found bleeding in her Sao Paolo prison cell. Brazilian police claimed, however, that she was not seriously injured, and was only trying to attract attention to her plight. Meanwhile, Joumana Ayyas, Rana's alleged partner in crime, was still quietly incarcerated in Lebanon.

The Lebanese Government had asked Brazil to extradite Koleilat on charges of fraud, embezzlement and forgery. Koleilat and her alleged partner in crime, Ayyas, are accused of mail fraud, wire fraud, bank fraud, obstruction of justice, and extortionate extensions of credit.

The plaintiff in the case is the Saudi-Lebanese businessman Adnan Abou Ayyash, Al-Madina Bank's former Chairman. The Lebanese Central Bank is also a plaintiff and is demanding US\$800 million as financial compensation for malpractice and forgery.

Defendants include the alleged mastermind of the fraudulent scheme, former Al-Madina executive Rana Koleilat, her personal secretary Joumana Ayyas, and others.

American law firm Hughes Hubbard is also asking for

more than US\$1 billion in damages as a result of the collapse of Lebanon's Al-Madina Bank in February 2003. The complaint was filed in the Southern District of New York in November, 2004.

Rana Koleilat, her personal secretary (who is also her uncle's wife) Joumana Mohammad Ayyas, her twin brothers Bassel and Taha, her partner Rene Moawad, and other managers and employees in the Al-Madina Bank and its sister bank, United Credit Bank are all accused of involvement in corruption and money laundering that led to the collapse of the bank.

Rana Koleilat claims that she is innocent and blames the case on a series of misunderstandings with the Abou Ayyash brothers.

In the Beginning

Rana Abdel-Rahim Koleilat was born on January 23, 1967 and grew up in the Ras-El-Nabeh neighborhood in the heart of Beirut. Her father, Abdel-Rahim Koleilat, was a police officer in the Lebanese Internal Security Forces, and her mother, Masarra Sanadiqi, taught Arabic literature at a local public school. In 1970, Koleilat's twin brothers, Bassel and Taha, were born.



A copy of Rana Koleilat's British passport

From her earliest days as a high school student, Rana appears to have been highly driven by a sense of adventure. She completed her high school education at a Christian religious school named *Rahibaat el Mahabbah* or the Sacred Heart School (which could also be interpreted as the 'Sisters of Mercy') in the Clemenceau neighborhood, where she earned her baccalaureate degree with an emphasis in science.

Determined to get her career going, she traveled to Geneva to complete undergraduate studies in Banking and Finance. In Geneva, she showed a high degree of skill. Her academic supervisor advised her to meet Dr. Adnan Abou Ayyash, a wealthy Saudi-Lebanese engineer and businessman based in Saudi Arabia.

Rana Koleilat joined Al-Madina Bank in 1985 and became Ibrahim Abu Ayyash's Executive Secretary. He was the bank's General Manager and Adnan Abou Ayyash's brother. A few years later, Koleilat was promoted and became a senior bank official whose specific responsibility was to liaise with the Central Bank of Lebanon. However, her executive powers within the bank were much broader than that.

The reason Koleilat was granted such significant power – enough to control the entire bank's activities without supervision – is still unclear.

In interviews published in the Lebanese press, Koleilat claimed that she was married to Adnan Abou Ayyash from 1992 until 2002. During that period, Rana, along with her aunt Joumana and her two brothers Taha and Bassel, were leading a remarkably lavish and luxurious lifestyle.

Undeniably, by virtue of their wealth, the Koleilats rapidly became one of the leading "nouveaux riches" families

in Lebanon, and developed what seemed to be a network of interests and business connections locally, regionally and internationally.

Transfers to Prevent a Liquidity Crisis

In November 1999, Koleilat allegedly carried out a series of forgeries and transferred funds into "dummy" accounts at the Al-Madina Bank and the United Credit Bank. By November 2002, Abou Ayyash had unsuspectingly transferred 670 million USD into one of the phony accounts. Abou Ayyash quickly transferred 470 million USD from his personal savings into the Al-Madina Bank in an effort to prevent a liquidity crisis allegedly brought on by Rana Koleilat.

In 2003, the Lebanese media reported that over a billion dollars worth of assets had simply "evaporated" from the Al-Madina Bank.

Depositors filed legal complaints against Rana Koleilat and the Abou Ayyash brothers. The plaintiffs against Rana Koleilat were Saleh Assi, Ismail Bazzi, Imad Hariri, Abdel-Latif Haidar, Ismail Ramadan and Rula Soueid.

In December 2003, following their lawsuits, Rana Koleilat and Joumana Ayyas were arrested for their alleged involvement in the siphoning of money from the plaintiffs' accounts. However, following settlements with each of the plaintiffs, including a settlement worth US\$2.5 million with Rula Soueid, the charges against Koleilat were dropped and she was released on bail in December 2004.

Koleilat disappeared. Several unreliable reports claimed she had been killed and others claimed that she had traveled to Egypt with a fake passport.

Rana Koleilat reappeared in Sao Paulo, Brazil and it turned out that she was using her original British passport.

Connections

Koleilat used US bank accounts and made wire transfers through New York. There is also a related case involving a multi-million dollar check drawn out from Abu Ayyash's account, but which was allegedly deposited without his authorization.

The arrest and release of Rana Koleilat made front-page news in Lebanon, as did the unexpected decision by Lebanon's Prosecutor-General to end his probe of the Al-Madina Bank scandal, as it was coined.

Fortress Global Investigations (FGI), an international private investigations firm, referred Adnan Abu Ayyash to



Rana Abdel Rahim Koleilat escorted by Brazilian federal policemen into a police station in Sao Paulo on March 14, 2006. (REUTERS)

the Hughes Hubbard law firm. Hughes Hubbard is working with FGI to find evidence in support of Abu Ayyash's claims. It is believed that Rana Koleilat was tracked down in Brazil thanks to information gathered by FGI.

Various local and international press accounts have highlighted possible connections between the Al-Madina Bank scandal and the former Iraqi regime as well as high-ranking Syrian and Lebanese intelligence officials. In a recent article published in the Lebanese Daily Star newspaper, Koleilat accused Rustom Ghazaleh, the former Syrian intelligence chief in Lebanon, of extortion.

Researchers and journalists seem to have been given very few opportunities by the authorities to investigate clues regarding the political corruption surrounding the scandal. The late journalist and Member of Parliament, Gibran Tueini, who was assassinated on December 12, 2005, had repeatedly condemned the way in which former Prosecutor-General and former Minister of Justice, Adnan Addoum, had handled the scandal, and accused him of "covering up" the case for political reasons.

Looking Ahead

Koleilat was arrested on March 12, 2006 in Sao Paolo for attempted bribery and on allegations that she was somehow connected to Former Prime Minister Rafik Hariri's assassination on February 14, 2005. She slit her wrists and was taken to the hospital and given two stitches. Martins Fontes, Sao Paolo's Chief of Police, insisted that it was a call for attention and not a real suicide attempt.

Current accusations against Koleilat are perhaps the most significant to date. Al Jazeera television reported that "UN

investigators told police they want to question her [Rana Koleilat] in connection with the February 2005 assassination". The UN commission investigating Hariri's assassination, however, is cautious about revealing the identity and/or involvement of its witnesses for evident security reasons. Their spokesperson has not acknowledged or denied whether Koleilat is wanted for questioning.

However, in an article on Beirut in Fortune Magazine, there were speculations that the bank scandal, its ensuing collapse, and the Hariri assassination may be linked. While it has not yet been proven, there are speculations that the plot to assassinate Hariri was actually funded by the Al-Madina Bank, bringing Rana Koleilat to the forefront of a political and judicial battle for money and power.

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