

Attorney General

Robert Abrams

For Further Information Contact
Timothy Gilles
212/488-3334--518/474-7330

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ABRAMS ANNOUNCES INDICTMENTS IN \$1/2 MILLION METALS FRAUD

Attorney General Robert Abrams today (Thursday) announced the indictment of five persons who allegedly defrauded investors of nearly half a million dollars through the fraudulent sale of strategic metals. The defendants were arrested this morning on charges of grand larceny, conspiracy and scheme to defraud, and they will be arraigned in Manhattan State Supreme Court.

A grand jury indictment against the six charges that they operated an illegal "boiler-room" at 116 Nassau Street in New York City. The company, known as Strategic Minerals Corporation, allegedly began operations in July 1981 and made unsolicited telephone calls to hundreds of people across the country. The company also advertised in the Muslim World News, a national weekly newspaper widely read by members of the Black Muslim faith.

Company personnel allegedly told potential investors that they were selling investments in the vital strategic metal chromium, when in fact the metal involved was ferrochrome, a cheaper alloy that costs only one-fifth as much as the pure metal. The defendants also allegedly stated falsely that they were affiliated with a major London company, Strategic Metals Corp.

Attorney General Abrams said that his investigation began in February after a representative of the London firm called to complain about Strategic Minerals. A search warrant was executed at the firm on February 16, during which investigators seized books and records, as well as 27 cassette tapes containing over 30 hours of recordings that the defendants themselves made of their phone calls to investors.

The defendants allegedly persuaded over 20 individuals to invest between \$1,800 and \$30,000 each, telling them that they were buying chromium at \$1.50 per pound, when the prevailing market price was about \$2.50. Actually, according to the indictment, the investors were buying

ferrocene, and they were paying three times its market value, which was only 54¢ per pound.

The defendants are: Norman Deane, also known as Nurriden Muhammed; Robert Harris, also known as Robert Bilal Muhammed; Sal Munir, also known as Salhudden Munir Muhammed; Brenda Simons; and Benja K. Little.

The case is being handled by Assistant Attorneys General Daniel Taub and Pansy Mullings and Chief Investigator Robert McTigue under the supervision of Orestes J. Mihaly, Chief of the Investor Protection and Securities Bureau.