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CRIMINAL CASES AGAINST KAPA ACTIVE, CEASE AND DESIST ORDER IN FORCE

The Securities and Exchange Commission (SEC) has cautioned the public against falling for fake news about the supposed dismissal of fraud charges against Kapa-Community Ministry International (KAPA).

In an advisory issued on May 21, the Commission set the record straight: the criminal cases filed against KAPA for violations of Republic Act No. 8799, or The Securities Regulation Code, remain pending in various courts.

The SEC underscored that KAPA Founder and President Joel A. Apolinario, along with the group's other officers, only managed to secure conditional and temporary liberty after posting bail.

To recall, prosecutors at the Department of Justice (DOJ) charged Mr. Apolinario, together with KAPA Trustee Margie A. Danao and Corporate Secretary Reyna L. Apolinario, before the Bislig City Regional Trial Court Branch 29 with violating Sections 8(8.1), 26.1 and 28 of the Securities Regulation Code.

The DOJ also indicted Marisol S. Diaz, Adelfa Fernandico, Moises Mopia and Reniones D. Catubigan for violation of Section 26.1 of the Securities Regulation Code for promoting the investment scam.

The DOJ further charged Diaz before the Antipolo Regional Trial Court for violation of Section 28 of the Securities Regulation Code. It filed similar Informations against Mopia and Fernandico with the Quezon City Regional Trial Court Branch 93.

On February 19 and 27, Mr. and Mrs. Apolinario, and Catubigan respectively surrendered and posted bail for their temporary liberty while facing the investment fraud charges filed by the DOJ.

The criminal proceedings stemmed from the complaint filed by the SEC on June 18, 2019, after finding KAPA to have enticed the public to invest at least P10,000 in exchange for a 30% monthly return for life, without having to do anything other than invest and wait for the payout.

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The SEC also found KAPA to have employed a Ponzi scheme, an investment program that offers impossibly high returns and pays investors using the money contributed by later investors.

Aside from the fraud charges initiated by the SEC, Mr. Apolinario faces charges for the non-bailable offense of syndicated estafa before the Cagayan de Oro City Regional Trial Court Branch 21.

The court on February 18 issued a warrant of arrest against Mr. Apolinario, along with Junnie G. Apolinario, Maria Pella B. Sevilla, Cristobal R. Barabad, Nonita S. Urbano, Nelia V. Nino, Jouelyn A. Del Castillo, Joji A. Jusay and Albert P. Buhangbuhang.

Disinformation campaign

KAPA supporters and promoters have been circulating videos featuring a purported telephone interview with Mr. Apolinario, falsely claiming that all cases against KAPA have been dismissed, amid the COVID-19 pandemic.

The interview was first posted on May 7 on the YouTube channel of Bong Cagape. Excerpts of the interview would be shared by other channels such as KAPA UPDATES and nino malunhao.

Danny Mangahas and Roger Camingawan also released commentaries about the effects of the alleged dismissal of the cases against KAPA. Camingawan, for one, falsely claimed that the cease and desist order issued by the SEC has become void.

The Commission clarified that the cease and desist order against KAPA became permanent in March 2019 and, as such, remains in full force and effect. It added that the certificate of incorporation of KAPA was subsequently revoked in April 2019.

The SEC has called out the deliberate misinformation and disinformation propagated by promoters and supporters of KAPA before.

In December 2019, the Commission issued an advisory dispelling the false claims of Camingawan, together with Daniel Flash Villas, that KAPA supposedly managed to register with the Commission as a crowdfunding entity.



The SEC also issued statements refuting the revival of KAPA's registration under a new name. The Bangko Sentral ng Pilipinas likewise debunked claims that it approved of KAPA's investment scheme.

KAPA, through its counsel on record, would disclaim authorizing the publication of a myriad of posts on social media and note that only Catubigan and Ronnie Garay may speak on its behalf.

Amid the rampant misinformation and disinformation, the SEC reiterated its advice for the public to exercise caution when presented with reports about KAPA to avoid falling into the trap of what could be one of the country's most notorious scammers.

More illegal schemes exposed

Meanwhile, the SEC has flagged more groups soliciting investments from the public without the necessary licenses.

In separate advisories, the Commission warned the public against investing in Aquitek Food Trading, MR Lifestyle E-Comm Company (formerly Don Heraldo Mr. Lifestyle E-Comm Company), Payadstars/ PayAdStars, I Earn01 Trading, Inc., also known as iEarn, and R3DCON Philippines Corporation and Investor's Choice.

The groups have neither registered securities such as investment contracts nor secured secondary licenses to solicit and take investments from the public, as required under the Securities Regulation Code.

Those who act as salesmen, brokers, dealers or agents of fraudulent investment schemes may be held criminally liable and penalized with a maximum fine of P5 million or imprisonment of 21 years or both under the Securities Regulation Code.

Republic Act No. 11469, or the Bayanihan to Heal as One Act, further penalizes those participating in cyber incidents that make use or take advantage of the COVID-19 pandemic to prey on the public through scams, phishing, fraudulent emails, or other similar acts with two-month imprisonment or a maximum fine of P1 million or both.

For more information, the public may access the [advisories](#) on the SEC website, www.sec.gov.ph. Meanwhile, reports of unauthorized investment solicitation activities may be emailed to the SEC Enforcement and Investor Protection Department at epd@sec.gov.ph.

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