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Brett McClafferty Arrested in \$888,500 Fraud Case; Banco Popular Complaint Cited; Walker Says She Does Not Represent Him

Police allege twelve fraudulent transactions totaling \$888,500 after a complaint from Banco Popular, while St. Thomas Social disputes the claims and attorney Kye Walker states she does not represent McClafferty in the criminal matter.

Crime / **Published On February 22, 2026 02:50 PM /**

Staff Consortium **February 22, 2026**

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Mugshot of Brett McClafferty. By. THE VIRGIN ISLANDS POLICE DEPARTMENT.

ST. THOMAS — A St. Thomas restaurateur has been arrested in connection with what police describe as an \$888,500 fraud investigation, as the accused individual's business partner and an attorney publicly dispute aspects of the case.

According to the V.I. Police Department, Brett McClafferty was arrested on Saturday following an investigation by the VIPD Economic Crime Unit into alleged counterfeit and fictitious financial instruments.

The investigation began in June 2024 after Banco Popular de Puerto Rico filed a complaint alleging that between January and June 2024, McClafferty deposited counterfeit and fraudulent checks drawn from entities in the British Virgin Islands and issued bank drafts from his Discover account that were later subject to stop-payment requests or returned for insufficient funds. Investigators determined that funds were withdrawn and wired to third parties before the financial instruments were returned unpaid.

Police said the investigation identified twelve fraudulent transactions totaling approximately \$888,500 conducted through McClafferty's business and personal accounts. Banco Popular reported a confirmed financial loss exceeding \$80,000. Several counterfeit checks originating from the British Virgin Islands were reportedly flagged before funds could be withdrawn, preventing additional losses.

An arrest warrant was issued on December 30, 2025, by Magistrate Judge Julie S. Todman, with bail set at \$150,000.

On Saturday, the warrant was executed at McClafferty's residence in St. Joseph & Rosendahl by the VIPD Economic Crime Unit, with assistance from the Special Operations Bureau, Criminal Investigation Bureau, the United States Postal Service, and the Federal Bureau of Investigation.

He was charged with grand larceny, passing or possession of forged bills, obtaining money by false pretenses, making and passing fictitious bills and notes, and drawing and delivering worthless checks.

Following his arrest, McClafferty was transported to the Richard Callwood Central Command for processing. Unable to post bail, he was remanded to the custody of the Bureau of Corrections pending his Advice of Rights hearing.

VIPD has asked anyone with additional information related to the case to contact the Economic Crime Unit or dial 911.

In response to the arrest, Sunil Sharma, Executive Chef and Partner of St. Thomas Social, issued a statement asserting that the arrest stemmed from a 2024 banking deposit made by the establishment's former general manager.

According to Sharma, the deposit was a check for a private event rental at STT Social, "for which we do dozens a year." He stated that McClafferty "did not make the deposit in question, nor did he have any involvement with the client relating to the event." Sharma further said that the event was never hosted because "the check continuously bounced and the client subsequently passed away."

"Nonetheless, it is absurd that Social or its individual owners would be held responsible for deposits made in the course of ordinary business which exceeds 2 million dollars annually," Sharma stated. "Mr McClafferty committed no crime and we look forward to his prompt release from custody. He is represented by attorney Kye Walker."

Attorney Kye Walker later clarified her role in the matter during an interview on Sunday. "As far as my official statement is, I do not represent Brett McLafferty in this matter. Nor would I ever advise a client to issue a press statement following an arrest, especially an arrest that has yet to be

reported this soon.”

The case remains pending before the court. McClafferty is presumed innocent unless and until proven guilty in a court of law.

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