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Jamaica's 'Biggest Financial Fraud' Involving Usain Bolt's \$10 Million Fortune Leads to Resignation of FSC Leader; No Info on Whether Account Was Insured

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As the investigation continues into what is being dubbed Jamaica's biggest financial fraud, questions are being asked about the actions — or lack thereof — of the country's regulatory agency, the Financial Services Commission (FSC).

News broke last week that clients of Stocks & Securities Limited (SSL) had been defrauded of millions of dollars. Olympic champion Usain Bolt's investment account was reportedly drained of almost US\$12 million. Bolt, through his lawyers, demanded the return of his funds from SSL. His attorneys say the FSC also bears some responsibility for the fiasco.

"All along they kept quiet, " Linton Gordon, Mr. Bolt's lawyer, told the Jamaica Gleaner last Thursday. A letter sent to the FSC claims that the regulator failed in its statutory duties. "It's 10 years now they say they have been red flagging this company," Gordon said." Had he [Bolt] known that, he would have withdrawn his money and he would not have lodged anymore."

On the same day Mr. Gordon spoke to the Gleaner, Jamaica's Finance Minister Dr. Nigel Clarke disclosed that FSC Executive Director Everton McFarlane, would resign at the end of January. Dr. Clarke subsequently promised a new board for the FSC, and stricter regulations in the near future.

With McFarlane out on leave until his official last day on January 31st, Major Heron Thomas, Chief Prudential Officer at Bank of Jamaica, will serve as FSC Executive Director on an interim basis.

Mr. McFarlane's departure came on the heels of a press conference performance described by local journalists as evasive. Due to the ongoing investigation and stated confidentiality obligations, the departing FSC chief declined to answer several pointed questions. During Wednesday's press conference, Mr. McFarlane did not disclose whether the investors' stolen funds were insured. Neither did he confirm whether Minister Clarke had been notified about the "problem company", as the Jamaica Observer notes is required by law.

Police, meanwhile, proceeded with their investigation, raiding the home of the woman accused of perpetrating the massive fraud. Documents and other materials were seized from Jean Ann Panton's St. Andrew residence during the hours-long multi-agency operation on Friday, January 20th.

Panton's lawyer, Tamika Harris, says her client is cooperating fully with authorities.

Over the weekend, former SSL CEO Zachary Harding took to the media in an attempt to distance himself from the enormous fraud being uncovered at the company. Harding, who spent almost three years as CEO from 2019-2022, told the Observer that most of his time was spent "cleaning up" SSL's regulatory woes. According to the Observer, Harding was none the wiser to the reportedly decade-long fraudulent behavior of Panton. He had no suspicion that any staff member was less than above-board.

Harding also spoke to the Gleaner, alleging that he had no idea the retired track superstar was an SSL client. "During my time at SSL Usain Bolt's name never came up in a management meeting as a client of SSL." Lamar Harris, who preceded Harding as CEO, also told the Gleaner that he did not know Mr. Bolt was a company client. It has been reported that the eight-time Olympic medallist used a holding company to manage the SSL funds and other investments.

How could SSL's CEO, the rest of its executives, the company's board and senior members of Jamaica's regulatory agency have missed what is being assessed as an approximately JM \$3 billion-dollar fraud? As investigators work feverishly to answer that question, Jamaica's Prime Minister is trying to reassure the nation that its financial system is safe.

"There is absolutely no need to panic," Prime Minister Andrew Holness said in a statement released on Friday. "As a result of significant reforms implemented over the last 2 decades, Jamaica has a strong and vibrant financial system in which the public can have confidence."

Opposition leader Mark Golding countered the Prime Minister's positive outlook, telling reporters on Saturday that the scandal was "very bad for Jamaica's image internationally. As a financial center, it will discourage people from investing in our country."

