

Savai'i 'investment' company under investigation

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cense," he said.

Mr Olarewaju denied that the business was based on a pyramid scheme model, or a classic fraudulent system of making money based on recruiting an ever-increasing pool of "investors."

(The schemes eventually collapse when the recruitment of new investors stops.)

Its bank accounts have been frozen, the Samoa Observer has learned.

Mr Olarewaju told the Samoa Observer that issues with the company - which was started about two months ago - began when their agent in Savai'i attempted to transfer funds from her personal account to the business.

"She [the business agent] was trying to transfer \$20,000 into our company account but then our account got frozen," Mr. Olarewaju said.

"And so we went to Central Bank and we had [a] two hour [long] meeting with them and the advice is that we need to follow guidelines if we really want to continue with the investment company," said Mr Olarewaju.

He said the company ultimately holds more than \$100,000 in its accounts with the Bank of the South Pacific (B.S.P.).

The Country Head of the B.S.P., Tautiaga Maryann Viali-Vaal, declined to comment on behalf of the bank.

"I cannot comment further pending the investigation by the Central Bank of Samoa," Tautiaga said.

"I would like to reiterate however that in exercising our obligations under sections 23 and 24 of the Money Laundry Prevention Act 2007 to protect customers and the public at large, BSP works closely with the Central bank of Samoa, by reporting any suspicious transactions that we detect through the banking system.

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A Savai'i-based business promising "investors" financial returns if they recruit others to invest has denied operating a pyramid scheme as the Samoa Observer can reveal it is being investigated by the Central Bank.

According to Mr Olarewaju the investment company is about "pure investments" and it is not a "Ponzi scheme".

The business, known as "Investment Company", has to date more than 200 "clients", each of whom has been promised financial rewards if they can recruit others to make "investments" into the company.

Busuyi Johnson Olarewaju, who operates the business alongside his company J&J Electronics, has defended its legitimate "investment business".

"We are a legitimate company, we are an investment company and we have registered with M.C.I.L. and the Ministry of [Customs] and Revenue issued our business li-

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proclamation.

Orders outside the scope of the initial emergency proclamation could be argued as a mistake or an attempt to expand the scope of Government powers, the opinion said.

Tagaloa said if nothing changes, many of S.A.M.E.'s members will not be operational in 2021, as they are already suffering from the lack of tourism and getting no support in the form of an enabling environment for commerce.

At least 80 per cent of S.A.M.E.'s members, with businesses ranging from the small to large and which include farmers, manufacturers, craft-people and exporters, are struggling.

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"In the event that a customer [or staff] has been confirmed to be in breach of Anti-Money Laundry/Counter Terrorism Financing laws, the bank will not hesitate to report the matter and invoke its exit procedures immediately."

The Central Bank of Samoa's Governor, Maiava Atalina Ainu'u-Auelua, confirmed that an ongoing investigation into the new investment vehicle had been launched but remained in its early stages.

"At the moment, we are looking into it. We will know more in the next few weeks," Maiava told the Samoa Observer via email.

But Mr. Olarewaju said that the business operated on a model of promising investors guaranteed returns.

"If you come with \$170 [...] according to our new profit table right now you receive \$15 weekly for 24 weeks and that will be \$360," he said.

"And if you come in with \$340 you will receive \$30 weekly for 24 weeks; the more people you bring in the more profit you get."

"I shared with the Central Bank our checking accounts of money going in and money coming out from our broker but the only thing they are worried about is what if the online trading crashed," said Mr. Olarewaju, who said internet security protocols were in place to ensure funds were kept safe.

"[We will assure] that people don't lose money, because we don't want people to lose money like they lost money in One Coin and [other such schemes]."

According to Mr Olarewaju the investment company is about "pure investments" and it is not a "Ponzi scheme".

Mr Olarewaju said that training is underway for people who want to make "investments".

