

press release. Grahame Whitehead is now a familiar name to many investors here and in Britain after defrauding them of millions of pounds and rands through hoax investment schemes he claimed were connected to the Salvation Army, a charity he has been involved with for most of his life. Whitehead set up a financial services firm called Woodbridge in 2008 which called on local investors to purchase property in the UK with a guarantee over time of a full purchase price refund and an interest payment of between 7.9% and 23%. He also formed Willows Property Solutions in South Africa through which he operated the Ponzi scheme, although, this company was never actually registered.

Whitehead lured funds from unsuspecting investors by selling them properties in the UK that did not effectively exist. He took advantage of fact that the red tape required for the Salvation Army to purchase property was lengthy and so sold the idea to investors that they could purchase properties that were up for auction and then rent these to the Social Welfare departments in the UK until such time as the Salvation Army received authorisation to proceed with the purchase of the properties. At this time, Whitehead guaranteed, the property owner would then be able to sell the property back to the Salvation Army at the original purchase price together with the interest accumulated during the investor's ownership. This would mean that the investment was an attractive option given the new purchaser already being in place and the interest offered more than most other investments would earn during this time.

Woodbridge's bank account with The Royal Bank of Scotland in Guernsey was subsequently frozen by the police and Whitehead was arrested in April this year after returning to the UK from a business trip to South Africa. He had up until then enjoyed a lavish lifestyle that included, in South Africa alone, a penthouse in the exclusive Michaelangelo Towers in Sandton and a mansion in Centurion Golf Estate. Whitehead was due to appear in court in the UK on 16 October but this was adjourned due to another 49 cases subsequently been brought against him and the expected court date is now sometime in December which should give all parties sufficient time to examine the papers relating to the full charges against him.

ENS' (Edward Nathan Sonnenbergs) Forensics team has been appointed by the South African Reserve Bank to investigate Whitehead's affairs throughout Southern Africa and to see if a contravention of the Bank Act has taken place. In an effort to complete a full investigation of Whitehead's fraudulent Salvation Army scheme, ENS is hoping that more investors who have been affected will come forward. Investigations into this case are also being undertaken by the Commercial Branch of the Directorate For Priority Crimes Investigation in Germiston.

The Salvation Army has denied any business or commercial connection with Whitehead and/or any companies associated with him and commented that he may have, wrongfully and without any authority, used the name of the Salvation Army in connection with the promotion of certain investment schemes. They reported their concerns to the Essex police earlier this year which then led to an investigation and his subsequent arrest.

The amount owing in Southern Africa to investors is yet to be quantified but Whitehead's assets have been seized in Britain and his estate is currently under liquidation in South Africa.

A spokesperson from ENS said “We are hoping more investors will come forward in order for us to ascertain exactly how far-reaching Whitehead’s fraud has extended and investors affected by this scheme are welcome to contact us”. Should you have invested, or been affected by Whitehead’s scheme, please contact ENS in Cape Town on +27 21 410 2500 or Johannesburg +27 11 269 7600. end

ENS (Edward Nathan Sonnenbergs) is based in South Africa and is the largest full-service law firm in Africa.

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