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GOVERNMENT'S POSITION ON THE MENZGOLD SAGA

Government has taken note of recent agitations, demonstrations and media complaints by some aggrieved customers of MenzGold, after the company failed to meet its contractual obligations to them.

It must be put on record that the regulators of our nation's financial services sector, namely the Bank of Ghana (BoG) and the Securities and Exchanges Commission (SEC) had, on numerous occasions over the years, warned customers of MenzGold to desist from investing monies in the company, as it was not a licensed deposit or asset management company. In all of these instances, the company and, indeed, some of its customers, responded with explanations that they were not in the business of deposit or asset taking, but were rather a gold trading firm.

The aftermath of this has seen the company renege on its contractual obligations to its customers, resulting in demonstrations by its customers. Indeed, some customers have called on government to refund their gold or expected profits to them. Others have also called on government to, on its own, arrest the directors and operators of the company, and compel them to refund customers gold or deposits to them.

Government seeks to draw the attention of the general public and, in particular, Menzgold customers to the following:

1. Menzgold was not licensed by BoG or SEC and its operations were not regulated by BoG or SEC. This warning was made as far back as April 2016, and, unfortunately, was disregarded by many customers of MenzGold. BoG and SEC are, therefore, not clothed with any legal mandate to refund monies to clients.

In the case of banks and specialized deposit taking institutions, as well as asset management companies licensed and regulated by BOG and SEC, owing to the fact that these companies were regulated by BoG and SEC, the regulators are clothed with the legal mandate to intervene in their matters, in accordance with law. DKM, for example, was licensed by the BoG, the reason for which it stepped in to help retrieve the monies of depositors. In the case of Menzgold, it operated as a trading company and falls outside the scope of the regulators' intervention;

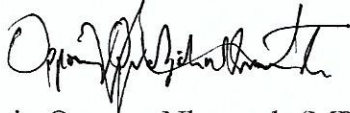
2. Customers whose contractual obligations have not been met by the company are entitled to seek legal remedy to retrieve their funds paid to the company ostensibly to buy gold. Indeed, some customers have exercised that legal mandate, and have either filed writs in the courts to retrieve their monies or reported the company and its directors to the security agencies on the suspicion of "Defrauding by False Pretenses". The Ghana Police service has, subsequently, issued an arrest warrant pursuant to these reports, and has, accordingly, informed Interpol to assist in the search for and arrest of Nana Appiah Mensah and two others to help in police investigations. We encourage aggrieved customers to join such actions;
3. On no occasion has President Akufo-Addo endorsed the operations of Menzgold or its directors. Government has also not aided the operations of the company, as is being bandied about by officials and members of the National Democratic Congress (NDC). Attempts by the NDC to take advantage of the pain and loss of victims is shameful, appalling, and smacks of political desperation. Indeed, suggestions that all public figures who have been sighted in photos with officials of the company are complicit in the company's dealings are laughable, and underline the insensitivity of such political actors to the ongoing situation. It cannot be said that traditional, religious, entertainment, business and political figures who took photographs with officials of the company are complicit in their operations and the alleged fraud perpetuated on customers.

Such suggestions reduce the serious misfortune of customers to cheap ridicule and are distasteful. Additionally, attempts by leading members of the opposition NDC to claim that the company commenced its operations in 2017 and, thus, the current administration ought to be blamed for the misfortune only exposes the desperation of the opposition party. MenzGold, for the records, begun its operations as far back as 2013.

4. It must also be put on record that President Akufo-Addo has never endorsed the company, its officials nor its operations. Indeed, the President has NEVER posted any tweet on his official Twitter handle expressing his admiration for the “success story” of Nana Appiah Mensah. It is also important to debunk the NDC’s use of a photograph taken at Jubilee House, where Nana Appiah Mensah is seen. In that photograph, officials of the GFA and CAF, including its President, Ahmad Ahmad, paid a courtesy call on President Akufo-Addo on 25th April, 2018, a day before the University of Professional Studies, Accra (UPSA), was to confer an honorary doctorate degree on the CAF President. The then GFA President, Kwesi Nyantekyi, invited Nana Appiah Mensah to that meeting because his company, Zylofon, on the 21st of April, 2018, 4 days before the meeting, had signaled its intention to sponsor the Ghana Premier League. The President NEVER had a one-on-one meeting with Nana Appiah Mensah as the NDC would want Ghanaians to believe. Again, the company and its officials have NEVER been part of any government delegation accompanying the President on any presidential visit. Speculations that the company acquired 85% of its clients in the last 24 months are also an obviously cheap attempt to link government to a very unfortunate situation;

5. While government sympathizes with customers on the difficulties encountered in their transaction with the company, the State cannot and will not resort to the use of taxpayer's monies to refund customers monies.

6. Government wishes to inform the general public that the security agencies, having received reports from customers that they believe they have been defrauded by false pretenses, shall employ all the powers of the State to find the accused persons, investigate the allegations, and ensure that the law takes its course in this matter. END



Kojo Oppong Nkrumah (MP)

Minister