

Torres Jewellery Scam

Lessons in Vigilance



What Happened?

- **Perpetrators:** The scam was allegedly masterminded by John Carter and Victoria Kowalenko, Ukrainian nationals. They used an elaborate scheme to lure investors into their investment programs.
- **Indian Connections:** Sarvesh Surve, an Indian with no prior business experience, served as the director. He was largely a front, unaware of the broader conspiracy. Other key players included foreign nationals involved in managing operations.

Source: <https://www.freepressjournal.in/mumbai/torres-company-scam-1000-crore-fraud-125-lakh-investors-duped-three-arrested-kingpins-flee-to-ukraine-case-transferred-to-eow>
<https://techstory.in/torres-scam-accused-used-rs-25-crore-on-diamonds-and-store-investments-while-paying-investors/>
<https://www.newsx.com/india/what-is-the-torres-jewellery-scam-over-1-25-lakhs-investors-defrauded/>



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Modus Operandi

- **The Pitch:** Investors were offered schemes involving purchases of jewellery or moissanite diamonds. They were promised weekly returns of 6%, amounting to triple the initial investment over 52 weeks.
- **Facade of Legitimacy:** The company operated flagship showrooms in Mumbai and other locations, providing official receipts, digital accounts, and unique customer IDs to maintain credibility.
- **Collapse:** By December 2024, the company stopped making payouts, citing technical issues. On January 1, 2025, all showrooms abruptly shut down, leaving investors in the dark.



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Impact

- **Financial Loss:** Investors collectively lost over ₹1,000 crore, based on complaints filed with the Economic Offenses Wing (EOW) and local police.
- **Arrests and Escapes:** While Surve and two foreign nationals were arrested, Carter and Kowalenko fled the country. Investigations are ongoing, with Lookout Circulars (LOCs) issued to locate the absconding masterminds.



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Lessons for the Future

- **Verify Before Investing:** Avoid schemes promising unrealistic returns. Cross-check the legitimacy of companies and their track records.
- **Stay Informed:** Educate yourself about investment frauds to recognize warning signs early.
- **Robust Oversight:** Regulators must enhance monitoring of investment firms and implement stricter due diligence requirements.
- **Filing Complaints:** Victims should promptly report cases to enforcement agencies, strengthening the overall legal case.

Investment scams like Torres Jewelry highlight systemic gaps in financial education and regulation. As investors, let's stay vigilant, prioritize awareness, and demand stronger oversight from authorities!



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