

# Odyssey Slammed In UK Parliament, Promotion Techniques Exposed, Calls To Cancel HMS Victory Contract

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## Summary

- Today in an adjournment debate in the UK House of Commons, MP and Shadow Minister of Defence Kevan Jones slammed Odyssey Marine and its involvement in the HMS Victory.
- The MP also exposed OMEX's techniques for raising money: making exaggerate and unproven claims via third parties that can then be repeated by newspapers. Called for SEC to investigate.
- Calls for investigation why OMEX appears to have underpaid the UK Government by \$4.9mm for SS Gairsoppa recovery.
- Calls for an immediate cancellation of the HMS Victory contract with the MHF and OMEX.
- Respondent confirms the HMS Victory IS subject to a judicial review commencing so had to be careful about verbal response given potentially imminent court actions.

Odyssey Marine Exploration (NASDAQ:[OMEX](#)) today reached a new level that few penny stocks have ever managed to attain. The UK Parliament - House of Commons held an adjournment debate regarding the HMS Victory lead by MP and Shadow Minister of Defence [Kevan Jones](#).

Though the attendance on a thursday afternoon in parliament is not particularly high, importantly, the Minister called for **3 different government departments to investigate** Odyssey's potential misdeeds. To quote a more politically astute UK local reporter who [covered the action](#):

**1) Allegations that the Maritime Heritage Foundation is nothing more than a front for Odyssey with no experience no money and a shared consultancy and PR operation: Charity Commission to be asked to investigate.**

**2) Allegations HMS Victory gifted without a Departmental Minute even though her contents were worth much more than the limit of £300k: National Audit Office asked to investigate. Permanent Secretary of the Ministry of Defence also asked to investigate.**

**3) Allegation that former Secretary of State at the DCMS and current Health Secretary, Jeremy Hunt, held a meeting with Lord Lingfield where Victory was discussed in breach of the Ministerial code: The Cabinet Secretary asked to investigate.**

The link of the video from 5p UK time can be [found here](#) - *note the video is for the whole day so fast forward to the last 30 minutes, starting at time 17:00 for the relevant period.*

British MP Kevan Jones in the House of Commons today:



We are unfamiliar with the political dynamics or motivations of any of the involved parties so readers can judge some of the comments for themselves.

**Our analysis of this dialog in The House of Commons:**

Firstly - this is the first time that we are aware that OMEX's activities at the HMS Victory have bubbled up to the highest levels of government in the UK and thus the highest levels of transparency. Up until now, as indicated in the transcript, the activities between Lord Lingfield and the MOD have been without the benefit of all relevant parties at the table. That will certainly now change and proper due diligence and processes will have to be followed. Given that a cash bond is required according to the UNESCO Annex and OMEX's cash balance was under \$4mm as of Sept 30, 2014, this alone seems to be a high hurdle.

Secondly, The Minister has called for (in a formal setting, in Parliament) an investigation by 3 separate UK departments into different aspects of the project: The Charity Commission; The Ministry of Defense; and The Cabinet Secretary. Additionally, he is stating that he will deliver the information he has learned to the SEC in the US after using some very strong language describing OMEX's activities.

Thirdly, this is a highly credible source in a credible, serious venue reinforcing some of the criticism we have laid at OMEX over the last 15 months including the clever promotional techniques used to inflate the value of shipwrecks by using third parties. Indeed the Minister highlights that there is no evidence to back up the claims that there is bullion on the HMS Victory.

Finally, the response from the Minister for Culture and the Digital Economy does confirm our earlier statement that there is in fact a judicial review facing the project - technically this is a review aimed towards the government / MOD and how they made the decision to grant the project to OMEX.

Overall - this would appear to be a major blow to OMEX's involvement in the HMS Victory project and in the best possible case will delay the timeline considerably and in the worst case the Minister will be successful in his call to have the project taken away from the MHF and OMEX.

**The full transcript can be found [here](#) and is on pages 68-71**

Official Parliamentary Transcript relevant quotes below (*emphasis ours*):

**OMEX commissioned portraits of Lord Lingfield to create association with Admiral Balchen:**

**Wreck of HMS Victory 1744**

5 pm

Mr Kevan Jones (North Durham) (Lab):

At about the same time as HMS Victory was found and Odyssey

became involved with Sir Robert Balchin, the spelling

of the admiral's name on the Balchin Family Society

website was changed to match that of Sir Robert.

Balchen's true descendants, the Temple West family,

contacted Odyssey's chief executive officer, Greg Stemm,

to protest and raise their understandable concerns about

the fraudulent nature of Lingfield's claims.

Stemm responded by rubbishing their concerns:

"Sir Robert has always been insistent with us that he was not a direct descendant, just that he was part of the same family. While that has possibly been changed to 'descendant' in some instances by the media, I trust that you are as cynical about the media's ability to get everything right as I am."

It is therefore remarkable that Odyssey commissioned a

set of portrait photographs by Emma Duggan of Lord

Lingfield standing in front of a portrait of Sir John

Balchen to use as evidence that he was connected to the

admiral's family.

### **Investigation Request #1: Cabinet Secretary to ask him to investigate Lord Lingfield**

If the then Secretary of State

for Culture, Olympics, Media and Sport wanted to

avoid any accusation of improper ministerial conduct,

holding a meeting with Lord Lingfield about HMS

Victory without any civil servants present may not have been the best way to go about it given Lord Lingfield's role with the Maritime Heritage Foundation and Odyssey.

**I will write today to the Cabinet Secretary to ask him to investigate what I would say is a clear breach of the ministerial code by the current Health Secretary.**

The mishandling of the case of HMS Victory does not end there.

### **The Minister exposing OMEX's stock promotion techniques**

Ministers from the current Government

have ignored advice that they have received from English

Heritage about the Maritime Heritage Foundation and

Odyssey Marine Exploration, which are clearly not to

be trusted.

Odyssey has a proven track record of playing fast

and loose with historic facts and archaeological ethics.

This is a company whose chief executive officer, Greg

Stemm, told shareholders last September that it did not

have enough cash to see it through the winter. There is

plenty of evidence to suggest that if Odyssey were

forced to raise equity, it would have to file for bankruptcy.

Its shares are worth absolutely nothing.

Odyssey also has a proven track record of ignoring the law, manipulating historical data and making exaggerated and unproven claims to would-be investors of the value of its projects. For example, there is no evidence whatever that there was, to quote Greg Stemm, "more than a billion dollars of gold" on board HMS Victory, yet that was claimed by Odyssey's share pumpers and never denied by the company. That lack of evidence has been verified by a Wessex Archaeology report, the only proper, independent investigation into the HMS Victory site. However, Odyssey communicated the claim to its investors via a third party, presumably with the sole intention of raising its share price and attracting new investors for its stock.

The company is well versed in that practice, having inflated the value of wreck sites in the past, leading to newspaper articles in The Daily Telegraph, The New York Times and The Sunday Times. Those newspapers have unwittingly been used by Odyssey to add credence

to its claims about the values of those sites, which are then used as part of its campaigns to attract new investors for the company.

If deep-sea exploration and treasure hunting were such profitable and economically attractive ventures, surely other deep-sea offshore oil and gas exploration companies worldwide would be actively searching for shipwrecks and exploiting their cargoes? Of the 17 projects Odyssey has pursued, it has excavated and generated material revenue from only two. In fact, on the rare occasions that Odyssey does carry out deep-sea exploration and salvage work, it charters ships from others and hires temporary staff to perform the work.

**Investigation Request #2: National Audit Office about the missing \$4.9mm payment for the Gairsoppa**

Odyssey has also repeatedly pumped non-existent "secret" treasure cargoes, including on the SS Gairsoppa, which Odyssey won the contract for from the Department for Transport in 2010. Odyssey changed the terms of that contract with the Government after it was signed to the company's advantage, meaning that Odyssey

withheld \$4.9 million from the Government to cover its salvage costs, which it had no entitlement to retain. I will write to the Permanent Secretary at the Department for Transport to investigate why the company kept what should be taxpayers' money, and *will also ask the National Audit Office to look at that.* Odyssey is a scam, which operates by encouraging mainly small investors to invest in its outrageous claims of future returns from the salvage of wrecks. The company has lost \$185 million since its inception, and is backed by what can only be described as a web of secret offshore companies. They have little or no real value but are highlighted by Odyssey to give the impression that it has major investments in a number of companies, including those that practise underwater mineral extraction. A close look at the companies shows that the valuations are false, and that many of the individuals involved in Odyssey also sit as directors of the other companies. Odyssey strangely seems to pay those companies for "work" at exorbitant rates. Some of the directors are also highly dubious-some of the directors of a Panama based

subsidiary have been investigated for money laundering.

### **Investigation Request #3: Securities and Exchange Commission**

The only people who appear to have made money out of Odyssey and this lucrative scam are Greg Stemm, who is a former PR man for the comedian Bob Hope, John Morris, and the other members of Odyssey's senior management team. As Odyssey is an American company listed on the NASDAQ, I believe that the *Securities and Exchange Commission in the United States should investigate its practices. Later today I will pass on the information that I have collected on the company.* It is not the first time that Greg Stemm and John Morris have been investigated by SEC-they were debarred from holding office in a previous company.

One very simple question needs to be answered. Why have the Government entered into a contract to hand over one of the nation's most historic wrecks to a company such as Odyssey with such a shabby record? It appears that no due diligence has been carried out by the Government into this company. The facts are not difficult to establish, as most of the information that I

have found is in the public domain.

In order for Odyssey to gain access to the wrecks, to inflate its share price and sell new stock, it has used Lord Lingfield to create what I would describe as a front organisation-the Maritime Heritage Foundation.

MHF is not independent of Odyssey. They share a PR company, Brunswick, and a maritime consultant, Dr Sean Kingsley. MHF entered into a multimillion pound commercial contract with Odyssey, yet it has no money apart from £65,000 in the bank, having spent just £495 on charitable activities in 2013-14. A simple question is: how exactly is it going to fund this multimillion pound contract? It would also be interesting to know where the £65,000 came from. Did it actually come from Odyssey in the first place?

#### **Investigation Request #4: Department of Public Accounts and Ministry of Defence**

Serious questions can also be raised about the individuals involved in MHF: Sir Robert Balchin, eminent plastic surgeon Professor Alan Roberts, and Mr Nigel Branson, a member of the corporation of the City of London.

None of those individuals has any background or expertise whatever in marine archaeology or in managing archaeological projects. I will be writing to the Charity Commission and asking it to investigate this charity.

There are also serious questions about the procedures that led to the Ministry of Defence gifting the wreck of HMS Victory to MHF in January 2012. It was to this almost non-existent charity, with no expertise and nonexistent funds, that the Ministry of Defence gifted

HMS Victory in 2012. The threshold for gifting currently stands at £300,000, meaning that a departmental minute is laid before Parliament when items valued over this figure are gifted by the Government. This arrangement provides transparency to allow Parliament to raise concerns

[Mr Kevan Jones]

about such gifts. The maritime archaeological community agrees that the guns alone on the wreck are worth several million pounds. Why did the Ministry of Defence not place a departmental minute before the House so that the gift could be properly scrutinised? I have raised

this matter with the Chair of the Public Accounts

Committee who has herself raised the matter with the

National Audit Office. **I have also written separately to**

**the permanent secretary at the Ministry of Defence** to

ask him to investigate why Ministers agreed to this.

Why was Lord Lingfield, a man with no expertise in

maritime archaeology, given such a prominent role in

the preservation of HMS Victory? We need to be clear

about what motivates him. He could just be an innocent

Walter Mitty character claiming to have ancestral links

to boost his standing in the society in which he moves,

or he could have direct or indirect financial links or

association with Odyssey, either through direct payments,

shares or an involvement in hedge funds trading in

Odyssey's shares. If that is the case, it would be very

serious. It would clearly be a matter not only for the

House authorities, but the police. I am at a loss to know

what his motivations are, but we need a clear explanation

from him, including how he became to be associated

with Greg Stemm and John Morris of Odyssey.

I am also at a loss as to why the Government should hand over this wreck to an individual like Lord Lingfield, who has no experience in this field. They might as well have handed this to the first member of the public who strolled past the MOD main building that day. The only difference is that we know Lord Lingfield is very well connected within the higher echelons of the Conservative party. The Government should immediately cancel this arrangement with Odyssey and the Marine Heritage Foundation.

Our nation rightly honours citizens who die in the active service of our country. I am a commissioner of the Commonwealth War Graves Commission and I am truly privileged to serve on it. Just like the true descendants of Sir Robert Balchen, the British public will be outraged and scandalised by the sleazy way the Government have treated the last resting place of HMS Victory and her crew.

**The response from the DCMS (Not the MOD for some reason) confirmed the judicial review re reported on [earlier this week](#):**

[The Minister for Culture and the Digital Economy](#)

(Mr Edward Vaizey):

As I said before the hon. Gentleman's intervention,  
the decision to allow the Maritime Heritage Foundation  
to recover at-risk surface artefacts from the wreck of  
HMS Victory is *subject to judicial review*. With the  
greatest respect, therefore, it would be unwise for me to  
go into the subject, given that court action might be  
imminent.

**Disclosure:** The author is short OMEX. The author wrote this article themselves, and it expresses their own opinions. The author is not receiving compensation for it. The author has no business relationship with any company whose stock is mentioned in this article.

**Additional disclosure:** Ryan Morris, President, Meson Capital, has pledged to donate his personal profits from OMEX short sales to charity. Full disclaimer at [omextruth.com](http://omextruth.com)



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