

Gowex Goes Bankrupt Following Cooked Books

Written by Marco Attard
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Spanish free wifi provider Gowex files for bankruptcy and CEO Jenaro Garcia Martin resigns following allegations of falsified accounts-- allegations later confirmed by no other than the CEO himself.



Initially the company refuted the report by investment firm Gotham City Research, and even threatened legal action. But just a day later Garcia Martin admitted he has been cooking the books for "at least" the last 4 years.

"Mr Garcia Martin, CEO and Chairman, has told several board members that the accounts of the company, for at least the last four years, were unfaithful and that he was responsible for this misrepresentation. The board ... has accepted his resignation," a company statement published on the Spanish MAB stock exchange reads.

Such a sorry state of affairs is a far cry from the Gowex known as a Spanish success story, whose founder and CEO was described by Spain's marketing association as "a magician who converted wifi into water" last May.

Gowex operated wifi networks in 91 cities, and planned to expand operations in San Francisco, New York, Bordeaux and Hong Kong. Last week it claimed revenues of €182.6 million, €260m of which were to go into investment over the next 4 years. However according to the Gotham report 90% of that sum did not exist, the company did not report usage figures and its biggest customer is... itself.

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Gotham also reported Gowex claimed it received €2m to provide wifi services in New York City when city officials in fact paid less than €200000, and its hotspot network totals 5000, not 100000.

To add even more insult to injury Garcia Martin is claimed to be the director of Advanced Refractive Technologies, a penny stock fraud whose shares the US Securities and Exchange Commission revoked.

Now the Gowex story concludes Garcia Martin's final statement, a letter to employees concluding with a copy of Rudyard Kipling's "If"-- a poem about manhood starting with the lines "If you can keep your head when all about you/Are losing theirs and blaming it on you."

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Go [Gowex's Lost Magic Quiets Cheers for CEO \(WSJ.com\)](#)

Go [How Gowex CEO Went from Defiant to Disgraced in 5 Days \(Bloomberg\)](#)