

UNITED STATES DISTRICT COURT

for the

District of Columbia

United States of America

v.

JULIUS MAKIRI JENGE

[Redacted]

Case: 1:24-mj-00267

Assigned to: Judge Upadhyaya, Moxila A.

Assign Date: 8/21/2024

Description: COMPLAINT W/ ARREST WARRANT

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of October 2019 - June 2021 in the county of Washington in the Jurisdiction of the District of Columbia, the defendant(s) violated:

Code Section

Offense Description

15 U.S. Code § 78j(b) and 78ff(a),
17 C.F.R. § 240.10b-5

Securities Fraud

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT.

Continued on the attached sheet.

[Signature]

Complainant's signature

George Adams, Special Agent

Printed name and title

Sworn to before me and signed in my presence.

Date: 08/21/2024

Judge's signature

City and state: Washington, DC

Moxila A. Upadhyaya, U.S. Magistrate Judge

Printed name and title

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA

v.

JULIUS MAKIRI JENGE

Defendant.

: Case: 1:24-mj-00267
: Assigned to: Judge Upadhyaya, Moxila A.
: Assign Date: 8/21/2024
: Description: COMPLAINT W/ ARREST WARRANT
: **UNDER SEAL**
:
:
:

**AFFIDAVIT IN SUPPORT OF
CRIMINAL COMPLAINT AND ARREST WARRANT**

I, George Adams, Special Agent with the Securities and Exchange Commission, Office of the Inspector General, being duly sworn, depose and state:

INTRODUCTION AND AGENT BACKGROUND

1. This affidavit is submitted in support of a Criminal Complaint charging JULIUS MAKIRI JENGE with securities fraud in violation of 15 U.S. Code § 78j(b) and 78ff(a), 17 C.F.R. § 240.10b-5. As described further below, I respectfully submit that there is probable cause to believe that JENGE committed this offense. Based on probable cause established in this affidavit, I request that the Court issue an arrest warrant for JENGE pursuant to Federal Rule of Criminal Procedure 4(a).

2. I am a Senior Special Agent with the U.S. Securities and Exchange Commission (“SEC”), Office of Inspector General (“SEC-OIG”) and have been since February 2022. I have over 26 years of combined civilian law enforcement experience at the local, state, and federal levels. I have 20 years of experience as a federal criminal investigator and have attended and completed basic and advanced training in conducting investigations of white-collar crimes and complex fraud schemes involving wire, mail and bank fraud, conspiracy, money laundering, and obstruction of justice. My training and experience include conducting investigations involving

electronic methods of communication that include the use of websites, emails, cellular phones, texts, social media, and encrypted messaging applications that are often used in furtherance of the criminal activity involved. I have participated in the execution of search warrants involving electronic evidence. I have also completed courses in the Georgetown University Law Center's Securities and Financial Regulation certificate program that includes advanced Securities Fraud Investigations and Securities Litigation courses. I also have extensive knowledge of SEC policies and procedures by virtue of my current position.

3. The facts in this affidavit come from my personal observations, my training and experience, and information obtained from other agents, witnesses, and agencies. This affidavit does not represent every fact known to law enforcement about this investigation and is submitted for the limited purpose of establishing probable cause to support the issuance of a criminal complaint and an arrest warrant.

4. Pursuant to Rule 4, the requested warrant may be executed by an "authorized officer" and may be executed "within the jurisdiction of the United States." Special Agents with the Securities and Exchange Commission, Office of Inspector General and the United States Postal Inspection Service (who are also involved in the investigation of this case), respectively, are authorized federal law enforcement officers.

STATEMENT OF FACTS ESTABLISHING PROBABLE CAUSE

5. Based on witness interviews I have conducted, conversations with other law enforcement officers, and my review of documents obtained from third parties, reports of interviews conducted by other law enforcement officers, and publicly available documents, I have reason to believe the following:

Relevant Individuals and Entities

6. Minerco, Inc. was a Nevada Corporation formed in and around 2007. Minerco traded under the stock symbol MINE in the Over-the-Counter Markets (“OTC Markets”) rather than on a national securities exchange such as the NASDAQ stock market. Stocks commonly known as “penny stocks” are often traded on OTC Markets. Beginning in or around January 2020, Minerco purported publicly to be in the business of developing, marketing, and distributing psilocybin mushrooms, also known as magic mushrooms or psychedelic mushrooms.

7. JULIUS MAKIRI JENGE (“JENGE”) began holding himself out as the President, CEO, and sole Officer of Minerco in or around October 2019. JENGE has publicly reported that he was born and raised in Tanzania, and he also resided in Virginia, at relevant times. JENGE is a naturalized U.S. citizen.

8. Co-Schemer-1 (“CS-1”) resided in Michigan and controlled all aspects of Minerco beginning in or around October 2019. For example, among other things, he made corporate strategy decisions on behalf of Minerco, engaged in negotiations with third parties on behalf of Minerco, paid or directed others to pay monies on behalf of Minerco, and directed others to draft press releases for Minerco. As it related to Minerco, JENGE acted at the direction of CS-1 and was subordinate to CS-1. In or around December 2017, CS-1 pleaded guilty to two misdemeanor criminal violations of the Michigan Credit Service Protection Act and was sentenced to 18 months of probation in connection with a mortgage fraud scheme. According to statements made by JENGE to law enforcement on or about March 29, 2024, JENGE and CS-1 have known each other for over 10 years.

9. Bank-1 is a financial institution whose identity is known to the affiant.

10. Bank-2 is a financial institution whose identity is known to the affiant.

11. Company-1 is a company whose identity is known to the affiant.

Relevant Terms

12. Penny stocks are stocks of publicly traded U.S. companies that have a low market capitalization. Penny stocks are subject to price manipulation because they are thinly traded and subject to less regulatory scrutiny than stocks that trade on notable exchanges such as the NASDAQ.

13. A “Transfer Agent” is a company assigned by an issuer of stock to maintain records of investors, account balances, and transactions. A transfer agent, acting on the direction of the company issuing shares, issues and cancels stock certificates to reflect changes of ownership.

14. Generally, a “pump-and-dump” is a form of fraud where individuals manipulate demand for a stock and the stock’s price, and then sell their shares of that stock to the public at an artificially high price. The first step in a “pump-and-dump” is for the wrongdoers to gain control over a publicly traded company and free-trading shares in the company. After acquiring control of a company and free-trading shares in the company, the wrongdoers will “pump” the stock’s price by (among other things) disseminating false and misleading information that makes the company appear to be more valuable than it is and artificially increases demand for the company’s stock. After fraudulently “pumping up” the price of a stock, wrongdoers “dump” their shares by selling them to unwitting investors.

Summary of Probable Cause

15. From at least in or around October 2019 through at least in or around June 2021, in the District of Columbia, and elsewhere, JULIUS MAKIRI JENGE did knowingly and willfully, directly and indirectly, by use of the means and instrumentalities of interstate commerce or of the mails, in connection with the purchase and sale of securities, use and employ, and cause others to

use and employ, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5 by: (a) employing, and causing others to employ, devices, schemes, and artifices to defraud; (b) making, and causing others to make, untrue statements of material fact and omitting to state, and causing others to omit to state, material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging, and causing others to engage, in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, in violation of 15 U.S.C. §§ 78j(b) and 78ff; 17 C.F.R. § 240.10b-5.

16. More specifically, JENGE, CS-1, and other individuals defrauded investors in the publicly traded securities of Minerco. The scheme had the following essential elements, among others:

- a. JENGE and CS-1 worked together to take control of Minerco in late-2019, a company that had previously traded on OTC Markets, but that had been dormant for several years;
- b. JENGE and CS-1 caused the issuance of one billion Minerco shares to a nominee shareholder, whom JENGE believed was CS-1's then-girlfriend;
- c. JENGE, CS-1, and others caused positive press releases about Minerco to be issued to the public, at least some of which contained materially false and misleading information in an effort to artificially increase the share price of Minerco; and
- d. JENGE and CS-1 concealed CS-1's involvement with Minerco.

17. According to trading records, investors in Minerco lived throughout the United States, including in the District of Columbia.

JENGE and CS-1 Takeover Minerco in Late-2019

18. According to public SEC filings, Minerco has purported to have a series of different business purposes since being formed in or around 2007. Initially its focus was on oil and natural gas, then renewable energy, and then the beverage industry. Based on a review of public filings and Minerco social media, between at least approximately 2014 and 2019, Minerco publicly reported being focused on the beverage industry. However, in public filings on OTC Markets, Minerco reported zero revenues between approximately July 2016 to April 2019.

19. According to text messages obtained from the former CEO of Minerco, in or around July 2019, CS-1 contacted the former CEO of Minerco to inquire whether Minerco was for sale, and CS-1 negotiated the purchase of a controlling interest in Minerco. At the time, according to trading records, Minerco traded at approximately \$0.0001 per share.

20. Based on my knowledge, training, and experience, individuals are sometimes interested in taking control of dormant public companies that have existed for many years, but that trade at a fraction of a dollar, and have little, if any, active operations because they are susceptible to market manipulation.

21. According to WhatsApp messages between JENGE and CS-1 obtained from Apple¹, in or around October 2019, JENGE agreed to act as Minerco's President. On or about October 18, 2019, CS-1 messaged JENGE: "Do u have college degree[?]" and JENGE responded: "Yes[.]" CS-1 then asked: "Do u have any criminal issues[?]" and JENGE responded: "Nope[.]" CS-1 then responded: "U were telling me about when they kept u in jail" and JENGE responded: "I was not convi[c]t[ed]. I'm clean[.]" CS-1 then responded: "Ok. I'm going to do a public company that will cross list in tanz[ania] I want you to be president[.]" JENGE responded:

¹ As part of the investigation law enforcement obtained a search warrant for CS-1's Apple iCloud account, which contained WhatsApp messages with a telephone number that the investigation has revealed belongs to JENGE.

“Brother...I’m clean...let’s do it!”

22. Based on the investigation to date, including my review of the October 2019 WhatsApp messages between JENGE and CS-1, JENGE understood that it was important that the CEO of a company have no criminal history. In fact, during a March 29, 2024 recorded interview with law enforcement at Washington Dulles Airport after JENGE returned from Tanzania, in response to a question about whether JENGE knew that “someone . . . with a criminal history might have problems being a CEO and making press releases,” JENGE responded: “I know once you have a criminal history you cannot—yeah.” Moreover, based on my training and experience, it is difficult for a publicly traded company to be successful if the public knows that the company is controlled by someone with a criminal history because, among other things, the company will likely draw additional scrutiny.

23. Even though JENGE denied knowing about CS-1’s criminal history during a March 29, 2024 interview with law enforcement, in or around the time JENGE agreed to be President of Minerco, there were several readily accessible and publicly available articles on the internet about CS-1’s criminal history and other issues, including, among others:

- a. An article dated March 16, 2017, which reported that [CS-1] “was caught with several pounds of marijuana and \$121,000 in cash outside a Shasta County motel.”
- b. An article dated March 1, 2018, which reported that CS-1 had “pleaded guilty to two misdemeanor violations of the credit services protection act[.]”
- c. An article dated January 25, 2018, which reported that CS-1 was put in jail after violating conditions of his bond.
- d. An article dated December 28, 2018, which reported that more than \$250,000 belonging to CS-1 was seized at the Charlotte Airport.

24. According to documents obtained from OTC Markets, on or about November 21, 2019, JENGE emailed OTC Markets information identifying himself as the CEO and Sole Director of Minerco. JENGE’s email attached a stock purchase agreement signed by JENGE and dated

October 25, 2019, which stated that CBD Securities Acquisition LLC agreed to purchase preferred shares in Minerco for \$10,000.00. Moreover, according to records obtained from Minerco's Transfer Agent, on or about October 30, 2019, 2 million preferred shares in Minerco were issued to CBD Securities Acquisition LLC, which represented approximately 93% of those shares. Based on my training and experience and review of these records, there is probable cause to believe that the result of the stock purchase agreement was that CBD Securities Acquisition LLC acquired a controlling interest in Minerco.

CS-1 Obtains One Billion Minerco Shares with JENGE's Assistance

25. As further described below, JENGE assisted CS-1 in obtaining one billion Minerco shares in the names of various third parties.

26. According to WhatsApp messages obtained from Apple, on or about January 22, 2020, JENGE messaged CS-1 a resolution—signed in JENGE's name—authorizing Minerco to issue one billion Minerco shares to Jameson Holdings LLC.

27. On or about February 3, 2020, the former CEO of Minerco emailed the Minerco Transfer Agent (copying JENGE) with the January 22, 2022 resolution described above, and a letter signed in JENGE's name requesting that Minerco's Transfer Agent issue one billion Minerco shares to Jameson Holdings LLC.

28. According to records from the Transfer Agent, on or about February 26, 2020, Minerco issued one billion shares to Jameson Holdings LLC.

29. However, according to Virginia Secretary of State records, Jameson Holdings LLC was not formed until March 23, 2020—which is after Jameson Holdings was issued the one billion Minerco shares. Furthermore, JENGE is listed as the registered agent of Jameson Holdings LLC. The listed address for Jameson Holdings LLC identifies the name of an individual whom JENGE

told law enforcement on March 29, 2024 he believed was CS-1's girlfriend. In addition, according to WhatsApp messages obtained from Apple, dated on or about March 23, 2020, JENGE formed Jameson Holdings LLC at the request of CS-1.

30. According to records obtained from the Transfer Agent, these one billion Minerco shares were then placed into various names over time and deposited into Bank-1, a Bahamas headquartered financial institution. Based on my knowledge, training, and experience, individuals may put shares in the names of third-party nominees and transfer shares through multiple entities to conceal the true ownership interest of the shares and the financial transactions.

31. Ultimately, according to records from Bank-1 and other financial records obtained in the investigation, between approximately February 10, 2021 and May 26, 2021, an account at Bank-1 sold 930 million shares of Minerco for approximately \$8.4 million.

32. According to various financial records, including records from a cryptocurrency brokerage, CS-1 received at least \$2.5 million from the sale of the one billion Minerco shares.

33. Based on the investigation to date, JENGE was not involved in selling these one billion Minerco shares, although he understood generally that it was important for Minerco's stock to perform well for JENGE to get paid. For example, on or about December 12, 2020, according to WhatsApp messages obtained from Apple, CS-1 messaged JENGE: "Minerco is moving 1.6b shares today" and JENGE responded: "Nicee!!!...we are moving Bro." Moreover, during a March 29, 2024 interview with law enforcement, JENGE stated that he understood that to get paid, Minerco's stock price needed to go up.

**JENGE'S False and Misleading Statements Regarding Minerco in Press Releases
and an Investor Call**

34. As part of the scheme to defraud Minerco investors, JENGE and CS-1 made or caused to be made materially false and misleading statements to the public in an effort to artificially

inflate the value of Minerco stock. These statements were distributed nationally online, including to the District of Columbia, by Newswire Service-1. For example:

- a. According to publicly available records, on or about January 16, 2020, a press release was distributed by Newswire Service-1, including to the District of Columbia, and made available to the public titled: “Investment Firm Acquires Minerco, Announces Launch of Psilocybin, ‘Magic Mushroom’ Business Model” that stated, among other things, Minerco “has been acquired by a specialized investment firm” and that it “was acquired by psilocybin research and investment firm[.]” The press release also included a quote attributed to JENGE that identified him as the Minerco CEO and that stated, among other things: “With this acquisition, we look forward to research, growing and production of our psilocybin ‘magic mushroom.’”
- b. According to WhatsApp messages obtained from Apple, on or about the day before the issuance of this press release, JENGE messaged CS-1 a draft of the same press release and asked: “I got email with this attachment . . . Can I approve it?” to which CS-1 replied: “Yes[.]”. Moreover, on or about January 16, 2020, CS-1 messaged JENGE: “It never went out” and JENGE replied with a link to the press release. JENGE also reported to law enforcement during a March 29, 2024 interview that he thought he remembered this press release.
- c. According to publicly available records, on or about January 24, 2020, a press release was distributed by Newswire Service-1, including to the District of Columbia, and made available to the public titled: “Minerco, Inc. to Build the Largest ‘Magic Mushroom’ Operation in North America” that stated, among other

things, Minerco “was recently acquired by a psilocybin research and investment firm[.]” The press release also included a quote attributed to JENGE that identified him as the Minerco CEO and that stated, among other things: “We are truly now beginning to dig in[.]” According to records obtained from Apple, JENGE received a draft of this press release on or about January 22, 2020 from another individual and after CS-1 replied: “I think this is fine. Julius your thoughts,” JENGE replied: “I think is fine too.”

35. Based on the investigation to date, the January 16, 2020 and January 22, 2020 press releases were materially false and misleading because they stated that Minerco had been acquired by a “specialized investment firm” and a “psilocybin research and investment firm.” In truth, the investigation, including my review of records obtained in the investigation, has revealed that the company that acquired Minerco was merely a holding company for Minerco shares and had no specialized experience. Specifically, as stated above, a stock purchase agreement dated October 25, 2019 purports to be signed by JENGE on behalf of CBD Securities Acquisition LLC to acquire Minerco. However, according to Georgia Secretary of State records, CBD Acquisitions, LLC, was formed as a corporation on or about October 31, 2019, and identified “Julius Makari” as its organizer. And about a year later, in October 2020, according to publicly available records, the Georgia Secretary of State dissolved/revoked CBD Acquisitions “for failure to file its annual registration and/or failure to maintain a registered agent or registered office in this state.” I based on my training and experience and review of these records showing the timing of CBD Acquisitions’ formation, acquisition of Minerco, and dissolution shortly thereafter, and lack of any apparent operations, CBD Acquisitions does not in fact appear to be “a specialized investment firm” or a “psilocybin research and investment firm.”

36. According to publicly available records, on December 6, 2020, a press release was distributed by Newswire Service-1, including to the District of Columbia, and made available to the public titled: “Minerco . . . is now in advanced discussions with CBD manufacturing White label company [Company-1] for a potential acquisition . . . ‘[Company-1] is looking forward to this extremely amazing opportunity,’ says [its] CEO[.]” According to records obtained from Company-1, on or about the next day, Company-1 contacted the company that issued this press release and informed them that the press release was sent without its consent. In response, JENGE emailed Company-1: “Bro you are creating problems” to which Company-1 responded: “No putting that press release out with out my consent causes the problem[.]”

37. Based on the investigation to date, including my review of WhatsApp messages obtained from Apple, JENGE expressed concerns about his work related to Minerco and that he was scared. According to WhatsApp messages obtained from Apple, on or about September 8, 2020, JENGE messaged CS-1: “Bro...is . . . MINE legit?...I don’t wanna get into trouble please” and CS-1 responded: “Huh why do u ask that after all this time. Of course it’s legit.” JENGE also messaged CS-1: “Sometimes I’m scared, cause I’m signing for something that I don’t have clue...is just that I trust and believe on you Brother.” Notwithstanding JENGE’s concerns as stated in these messages, he continued his involvement with Minerco.

38. According to a video of an investor video conference call that occurred on or about February 21, 2021, JENGE told investors: “I earned my B.A. in accounting at University of Maryland² and also I earned my MBA in marketing from Strayer University.” Based on the

² Although JENGE did not identify the specific University of Maryland campus he claimed to attend, according to records obtained from Google, on or about November 14, 2019, JENGE emailed CS-1 a copy of JENGE’s resume, which listed “University of Maryland University College (UMUC)-College Park MD[,] BS in Accounting[.]” Based on publicly available records, the University of Maryland University College was renamed the University of Maryland Global Campus in or around 2019.

investigation to date, including my review of records obtained in the investigation and a law enforcement interview with JENGE, these statements were false and misleading. According to records obtained from Strayer University, while JENGE attended Strayer University, he never earned a Masters in Business Administration (MBA) or any other degree from Strayer University. JENGE also admitted during an interview with law enforcement that he “didn’t finish” his MBA. Moreover, according to records obtained from the University of Maryland College Park, there is no record of JENGE earning a degree from the University. Additionally, according to records from the University of Maryland Global Campus, although JENGE attended the University, he did not earn a degree from the University.

JENGE Conceals CS-1’s Role at Minerco

39. Based on the investigation to date, including my review of WhatsApp messages obtained in the investigation, CS-1 controlled all aspects of Minerco while JENGE acted in a subordinate role to CS-1. JENGE, however, publicly identified himself as CEO and concealed CS-1’s role at Minerco from OTC Markets and in publicly available filings with OTC Markets. For example:

- a. According to WhatsApp messages obtained from Apple, on or about January 8, 2021, JENGE messaged CS-1: “What do you want me to write to them [OTC Markets] exactly[?]” and CS-1 instructed JENGE to inform OTC Markets that JENGE is out of the country and that OTC Markets should include CS-1’s email address in correspondence, which was CS-1’s first name followed by “@minercoinc.com.” In the same message, CS-1 also instructed JENGE to identify CS-1, not by his legal name, but by his first name and middle name. Then, or about the same day, according to records obtained from OTC Markets, JENGE emailed

that same message to OTC Markets. However, based on the investigation to date, including my review of communications obtained in the investigation, neither JENGE nor CS-1 regularly used CS-1's first name followed by his middle name to refer to CS-1's identity.

- b. Based on the investigation to date, including a review of publicly available quarterly reports filed by Minerco with OTC Markets signed in the name of JENGE, Minerco never publicly disclosed CS-1's involvement with the company. In quarterly reports filed between approximately April 2020 to May 2021, Minerco's filings disclosed JENGE as the CEO and only officer, director, or control person. If Minerco had disclosed CS-1's involvement, its public filings would have needed to disclose CS-1's prior criminal convictions because each quarterly report filed with OTC Markets required Minerco to report whether any of its officers, directors, or control persons had a criminal conviction.
- c. JENGE further concealed CS-1's involvement with Minerco by failing to identify CS-1 in response to a question that appeared in Minerco quarterly reports requiring the identification of anyone who "assisted, advised, prepared or provided information with respect to this disclosure statement, or provided assistance or services to the issuer [i.e. Minerco] during the reporting period." JENGE also falsely certified that Minerco public did "not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement[.]"

40. Based on the investigation to date, including my review of WhatsApp messages, there is probable cause to believe that JENGE also knew that, in addition to Minerco, CS-1 did not want to be identified as being involved in CS-1's other, non-Minerco business dealings with JENGE. For example:

- a. According to WhatsApp messages provided by Apple, on or about April 8, 2020, CS-1 messaged JENGE to set up a company in Virginia. On or about April 9, 2020, CS-1 messaged JENGE: "Ok they need a real name I see[.] Use mine but not on the docs[.]"
- b. According to WhatsApp messages provided by Apple, on or about February 16, 2021, JENGE messaged CS-1 a screenshot of an email sent to JENGE from an individual identifying themselves as running an investment fund who stated that they were interested in talking to JENGE about the gambling industry. JENGE then messaged CS-1: "Do you wanna talk to [this] guy we put him on the conference call and listen his ideas?" CS-1 replied: "Yes we can" and "My name [CS-1 Legal First Name] [CS-1 Non-Legal Last Name]" and JENGE replied: "Got you!" Based on the investigation to date and my training and experience, I understand CS-1's message and JENGE's response to mean that JENGE agreed to refer to CS-1 on a telephone call using CS-1's legal first name, but rather than using CS-1's legal last name, JENGE agreed to refer to CS-1 by a different last name.³

The Securities and Exchange Commission Suspends Trading in Minerco

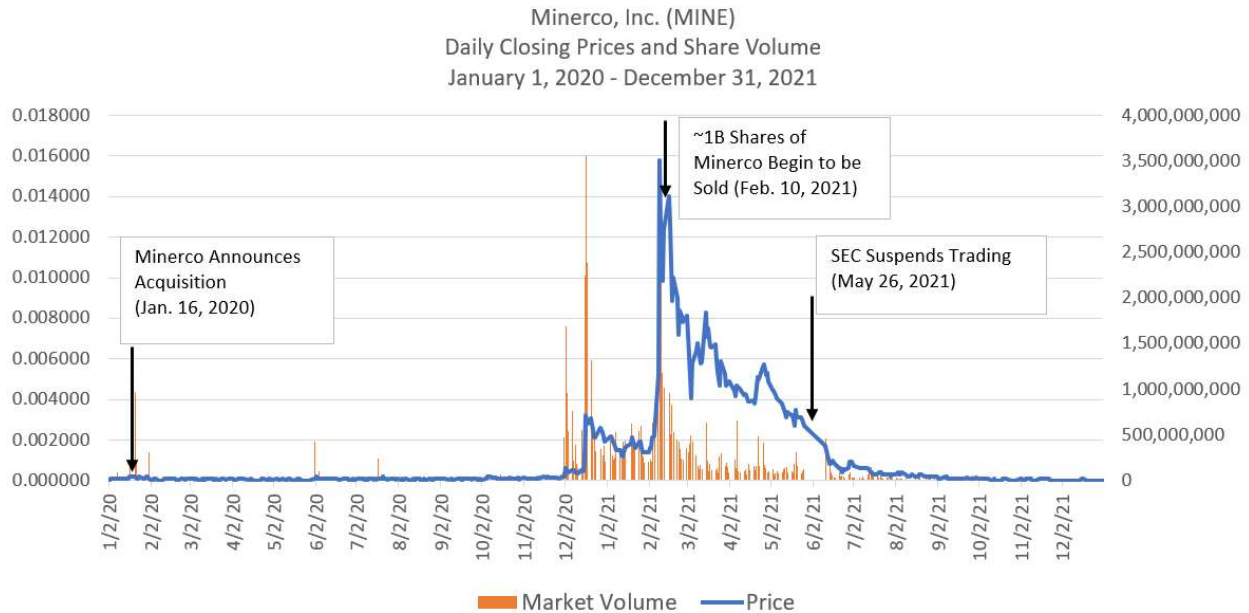
41. According to publicly available SEC records, on or about May 26, 2021, the SEC issued an order that suspended trading in Minerco between May 27, 2021 and June 10, 2021. The

³ About two years later, according to records from the Superior Court of Cobb County, Georgia, on or about May 23, 2023, CS-1 had his name legally changed to the last name referenced in these WhatsApp messages.

Order stated: “the public interest and the protection of investors require a suspension in the trading of the securities of Minerco, Inc. . . . because of questions and concerns regarding the adequacy and accuracy of information about the Company in the marketplace and unusual and unexplained activity affecting the market for its securities.”

42. According to OTC Markets, Minerco has not made any disclosures, such as quarterly or annual reports, since in or around May 2021. Moreover, although Minerco issued many press releases beginning in or around January 2020, Minerco has not issued any press releases since approximately June 2021.

43. The chart set forth below, compiled from available price and trading volume data, shows how Minerco’s stock price and trading volume increased during the period of JENGE and CS-1’s fraudulent scheme, and then fell after the SEC suspended trading in Minerco and Minerco stopped issuing press releases. Based on my training and experience, the increase in stock price and trading volume indicates that investors purchased Minerco stock during the period when JENGE and CS-1 were engaged in a scheme to defraud. Moreover, CS-1 profited from the sale of the one billion Minerco shares when they were sold during the scheme to defraud.



44. On or about March 29, 2024, agents from the SEC OIG and U.S. Postal Inspection Service interviewed JENGE at Washington Dulles Airport after he arrived on a flight from Tanzania. These law enforcement agents advised JENGE that they were investigating Minerco. Among other things JENGE stated:

- a. JENGE stated that CS-1 “was the main guy” at Minerco.⁴
- b. JENGE denied having the ability, as CEO of Minerco, to make decisions on his own, such as putting out a press release.
- c. In response to a question about why CS-1 used JENGE to start Minerco, JENGE responded that CS-1 “is [a] very good talker . . . I trusted him[.]”
- d. When asked about Minerco’s press releases, JENGE stated: “I trust [CS-1] and I believe everything was 100 percent correct.”

⁴ The transcriptions of conversations used in this affidavit are substantially accurate but are not final. The transcripts are subject to revision upon further review.

- e. In response to a question about whether JENGE knew about CS-1's "past criminal history," JENGE said: "I don't know about that" and JENGE also denied having conversations with CS-1 about CS-1's criminal history. However, as stated above, there were several readily accessible publicly available articles about CS-1 criminal history.
- f. JENGE stated that CS-1 used JENGE's signature without his knowledge, on occasion.
- g. JENGE stated that quotes attributed to JENGE in Minerco press releases were not his words and that other people put those quotes in press releases. However, as stated above, JENGE approved of at least some Minerco press releases containing quotes attributed to him.
- h. JENGE stated he has "never been paid" for his work as Minerco CEO, but that he understood that to get paid, the price of Minerco stock needed to go up. However, records obtained from Bank-2 reflect that JENGE received approximately \$26,000 between on or about February 26, 2021 and June 9, 2021 from an account that CS-1 was an authorized signatory on and that two of the payments stated they were for "consulting."
- i. JENGE also stated he did not spend "much time" on his work as CEO of Minerco and "I didn't pay much attention because I don't get any money."

45. On or about July 10, 2024, JENGE filed a civil action against the Securities and Exchange Commission in the United States District Court for the District of Columbia titled *Julius Jenge and Minerco, Inc. v. United States Securities and Exchange Commission* (1:24-cv-01996). The Complaint alleged that, among other things, the SEC unlawfully suspended trading in Minerco and "inflicted substantial and irreparable harm on the financial stability, market position, and reputation of Minerco, Inc., as well as the professional standing of its Chief Executive Officer,

Julius Jenge.” The Complaint JENGE filed further claimed that “all press releases issued by Minerco were factual, timely, and in compliance with applicable securities laws[.]”

46. JENGE’s lawsuit also included an affidavit, signed by JENGE, in which JENGE stated that: “I appointed [CS-1] . . . to assist in various capacities within Minerco Inc.,” even though as stated above, the investigation to date has revealed that CS-1 recruited JENGE to assist with Minerco. JENGE’s affidavit also stated that “[CS-1] served as consultant and investor,” even though as stated above the investigation has revealed that CS-1 controlled all aspects of Minerco’s operations. JENGE’s affidavit further stated that “All pressers and communications to the public were based upon things we did or were in the process of doing to grow the company,” even though as stated above JENGE and CS-1 made or caused to be made materially false and misleading statements to the public.

47. According to public court filings, the SEC issued an administrative subpoena to JENGE in or around October 2021 in connection with its investigation into Minerco and JENGE did not comply with any portion of the subpoena. *See SEC v. Julius Makiri Jenge*, 1:21-mc-00149, ECF 1 (D.D.C.). Then, on or about November 30, 2021, the SEC filed a petition for an order to show cause as to why JENGE should not be directed to comply with the SEC’s subpoena. *Id.* On or about August 12, 2024, Judge Tanya S. Chutkan of the U.S. District Court for the District of Columbia ordered JENGE “to produce documents responsive to the SEC subpoena by August 23, 2024, and appear for testimony at the Commission’s Offices at 100 F Street, NE, Washington, DC 20549 at 10:00 am on Tuesday, September 3, 2024, unless Jenge and the SEC mutually agree to different dates and times.” According to the SEC, JENGE and the SEC have not agreed to any different deadlines.

48. According to records obtained from an airline company and information provided by other law enforcement agencies, on or about August 19, 2024— less than one week after being ordered to produce documents and appear for deposition testimony before the SEC—JENGE was booked on a one-way flight departing on August 22, 2024 at approximately 1:15 PM from Ronald Reagan Washington National Airport and ultimately arriving in Kilimanjaro, Tanzania on August 23, 2024 with layovers in Boston, Massachusetts and Amsterdam, Netherlands.

CONCLUSION

49. Based on the foregoing, as well as the training and experience of other law enforcement agents with whom I have spoken and my own experience, I respectfully submit there is probable cause to believe that JULIUS MAKIRI JENGE engaged in securities fraud in violation of 15 U.S. Code § 78j(b) and 78ff(a), 17 C.F.R. § 240.10b-5.



Senior Special Agent George Adams
Securities and Exchange Commission,
Office of Inspector General

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone this, 21st day of August, 2024.

HON. MOXILA A. UPADHYAYA
UNITED STATES MAGISTRATE JUDGE