

CEO of Publicly Traded Company Arrested in Securities Fraud Scheme

The chief executive officer of Minerco Inc. (stock ticker MINE) was arrested last week on charges of securities fraud related to a scheme to defraud investors in Minerco.

According to court documents, between about October 2019 and June 2021, Julius Jenge, 54, allegedly defrauded investors in the publicly traded securities of Minerco by, among other things, working together with his co-schemer to take control of Minerco in late 2019; causing the issuance of one billion Minerco shares to a nominee shareholder; and causing 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. 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.

Jenge allegedly concealed the involvement in Minerco of a co-schemer who had a criminal history and who controlled all aspects of Minerco's operations. Among other things, Jenge allegedly failed to disclose his co-schemer's involvement with Minerco in public filings, although he was required to do so. In addition, as part of the securities fraud scheme, and during an investor video conference, Jenge allegedly falsely stated that he had earned an MBA in marketing and a BA in accounting.

Minerco's stock price and trading volume increased during the period of the alleged scheme, as investors purchased Minerco stock during this period.

Jenge was arrested on Aug. 22 at Ronald Reagan Washington National Airport, where he was booked on a flight to Tanzania.

Jenge is charged with one count of securities fraud. If convicted, Jenge faces up to 20 years in prison.

Principal Deputy Assistant Attorney General Nicole M. Argentieri, head of the Justice Department's Criminal Division, Inspector General Deborah Jeffrey of the U.S. Securities and Exchange Commission Office of Inspector General (SEC-OIG), and Inspector in Charge Eric Shen of the U.S. Postal Inspection Service (USPIS) Criminal Investigations Group made the announcement.

The SEC-OIG and USPIS are investigating the case.

Trial Attorney Kyle Crawford of the Criminal Division's Fraud Section is prosecuting the case.

If you believe you are a victim in this case, please contact the Fraud Section's Victim Witness Unit toll-free at (888) 549-3945 or by email at victimassistance.fraud@usdoj.gov. You are also encouraged to visit our webpage for this case at www.justice.gov/criminal/criminal-vns/case/united-states-v-julius-makiri-jenge.

A criminal complaint is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.