

Press Release

SEC Charges Ponzi Scheme Targeting African Immigrants

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Washington D.C., Aug. 28, 2020—The Securities and Exchange Commission today charged two Maryland companies and their principals for a scheme that allegedly defrauded approximately 1,200 investors, many of them African immigrants, of more than \$27 million.

According to the SEC’s complaint, Dennis Jali, John Frimpong, and Arley Johnson, directly and through their companies 1st Million LLC and The Smart Partners LLC, falsely told investors that their funds would be used by a team of skilled and licensed traders for foreign exchange and cryptocurrency trading, promising risk-free returns of between 6% and 42%. The complaint alleges that the defendants often targeted vulnerable African immigrants and exploited their common ancestry and religious affiliations. The complaint further alleges that Jali, who claimed to be a pastor and falsely held himself out as a self-made millionaire and expert trader, rented office space to conduct in-person meetings and give the appearance of a legitimate company. According to the complaint, the defendants diverted investor funds for personal use and to make Ponzi payments to prior investors.

“As alleged in our complaint, the defendants exploited religious affiliations and cultural affinities to gain investors’ trust,” said Kelly L. Gibson, Director of the SEC’s Philadelphia Regional Office. “We encourage all investors to be on high alert whenever they are offered investments promising low risk and guaranteed returns, including from members of a trusted community.”

In parallel actions, the U.S. Attorney’s Office for the District of Maryland today announced the filing of criminal charges and the U.S. Commodity Futures Trading Commission (CFTC) filed a civil action.

The SEC’s complaint, filed in federal court in Greenbelt, Maryland, charges the defendants with violating the antifraud provisions of the federal securities laws and seeks permanent injunctive relief, return of allegedly ill-gotten gains with prejudgment interest, and civil penalties. The SEC also named Access2Assets as a relief defendant, seeking the return of proceeds of the alleged fraud to which it had no legitimate claim.

The SEC’s continuing investigation is being conducted by Matthew S. Raalf, Katie E. Hopkins, and Jacquelyn D. King in the Philadelphia Regional Office, under the supervision of Assunta Vivolo and Ms. Gibson. The SEC’s litigation will be led by Jennifer C. Barry and Karen M. Klotz.

The SEC’s Office of Investor Education and Advocacy encourages investors to review the Investor Alerts on [affinity fraud](#), [Have Something in Common with Someone Selling an Investment? It May Make You a Target for Fraud and Avoiding Investment Fraud in Your Faith-Based Community](#), and to access the investor protection resources at [Investor.gov](#). Investors can also learn more about Ponzi scheme red flags and check out the background of their investment professional by using the free and simple search tool at the SEC’s [Investor.gov](#) website. The SEC appreciates the assistance of the U.S. Attorney’s Office for the District of Maryland, the Federal Bureau of Investigation, the U.S. Secret Service, the U.S. Postal Inspection Service, the CFTC, the Financial Sector Conduct Authority of South Africa, and the Financial Conduct Authority in the United Kingdom.

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