

Trio charged with running \$54M green-energy Ponzi scheme

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Three people were charged Thursday with running a \$54 million Ponzi scheme built on promises of a green energy technology that would turn trash into fuel and "carbon-negative" housing developments, neither of which were ever fully developed, federal prosecutors said.

Troy Wragg, 34, of Georgia; Amanda Knorr, 32, of Pennsylvania; and Wayde McKelvy, 52, of Colorado were charged with wire and securities fraud and conspiracy. It wasn't immediately clear if they had attorneys who could comment on their behalf.

Prosecutors said the trio lied to investors that their "biochar" technology and "carbon-negative" housing in Tennessee made millions, but they had almost no earnings and used the money to repay earlier investors and for themselves.

The scam allegedly ran from 2005 until 2009, even after the Securities and Exchange Commission filed a civil lawsuit against Wragg and Knorr's Mantria Corp. They were ordered in 2012 to pay \$37 million each.

"The scheme alleged in this indictment offered investors the best of both worlds—investing in sustainable and clean energy products while also making a profit," U.S. Attorney Zane Memeger said in a news release. "Unfortunately for the investors, it was all a hoax and they lost precious savings. These defendants preyed on the emotions of their victims and sold them a scam."

The investors got back about \$6 million in June as part of a class-action lawsuit against former Mantria employees, according to attorney Patrick Howard. Wragg and Knorr were not part of that suit.

Two months before the SEC civil lawsuit, the company was publicly recognized for its stated commitment to "help mitigate global warming" by former President Bill Clinton's Clinton Global Initiative. The company was cited for its plans to develop the biochar technology that it said would sequester carbon dioxide and reduce emissions in developing countries. Wragg appeared on stage with Clinton at the event in September 2009.

McKelvy, who prosecutors say has never been licensed to sell securities, raised money through his Speed of Wealth seminars in Colorado, Las Vegas and elsewhere, including one that featured a speech from former Broncos quarterback John Elway.

McKelvy allegedly told investors that Mantria was the next Microsoft and that it was "on the cusp of a revolutionary technology that's going to change the world, and you guys can benefit from it by putting money in and getting stinkin' wealthy."

Prosecutors say the housing developments that Mantria told investors would serve as collateral were never finished—the sites lacked drinking water and some may have contained unexploded artillery shells. Mantria then promised returns of more than 500 percent based on trash-to-fuel technology they said they had orders to sell.

The company had a site testing the production of biochar in Dunlap, Tennessee, but prosecutors say the company never had a patent for the technology to sell the systems and lied about how much it was producing.

Wragg was arrested in Georgia and will be arraigned Thursday; Knorr

will be allowed to turn herself in at a later date, according to Patricia Hartman, a spokeswoman for Memeger. She said McKelvy was jailed in Colorado but had no further details.

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