

St. Louis Business Journal - March 9, 2007
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Former investment firm executives indicted for fraud

St. Louis Business Journal - 4:01 PM CST Friday, March 9, 2007

Two former Global Power Global Wealth Enterprises executives were indicted on multiple charges involving a fraudulent investment scheme, U.S. Attorney Catherine Hanaway said Friday.

The company's former president and CEO, Andre Mitchell, and former vice president and chief operating officer, Henry Allen, were indicted by a federal grand jury on multiple felony counts including mail fraud, wire fraud, money laundering and interstate transportation of stolen property.

According to the indictment, between about July 2004 and December 2005, Mitchell and Allen operated a pyramid scheme through their company, Global Power Global Wealth Enterprises (GPGW). The two allegedly solicited investors through private offerings that falsely represented how investors' funds were going to be used and the security of those funds. Those investors who were paid, were paid with funds from other investors rather than from legitimate investments, according to a release from Hanaway's office. The indictment states that many of the persons who "invested" in GPGW were never paid any return on their investment and were never repaid their principal investment.

Mitchell, 42, and Allen, 63, arranged for prior investors to give testimonials to potential investors regarding the returns they had received from GPGW when those investors had not been paid using returns from legitimate investments, the indictment alleges. Their sales pitch was generally that GPGW and its related companies were investing in real estate and were using investor funds to purchase real estate in the St. Louis area. The indictment alleges that in some cases, the defendants falsely represented that GPGW was making large profits by buying, rehabilitating, and selling properties in the St. Louis area and elsewhere, and represented to some investors that they would receive 600 percent returns on their investments within six months.

Allen resides in the 5500 block of Clemens in St. Louis, and Mitchell formerly resided in the 1400 block of Springfield Drive in Belleville.

If convicted, each fraud count carries a maximum penalty of 20 years in prison and/or fines up to \$250,000; each money laundering and interstate transportation of stolen property count carries a maximum penalty of 10 years and/or fines up to \$250,000.

"Henry Allen and Andre Mitchell embarked on a trail of deception, defrauding investors of millions of dollars", Special Agent Bonnie MacLeod, public information officer for the St. Louis Field Office, IRS-Criminal Investigation, said in a statement. "The IRS will not tolerate violators of money laundering laws and will aggressively investigate individuals involved in this type of criminal activity".

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