**Have you ever been scammed?**

**If you have, don’t feel bad, the wizard of investing, Warren Buffet was recently scammed for $341 million by a San Francisco businessman in a marketing federal tax benefits related to non-existent solar generators**

A San Francisco Bay Area businessman has been sentenced to 30 years in federal prison for running a solar energy Ponzi scheme that defrauded investors of $1bn, the biggest criminal fraud scheme in Bay Area.

**B**illonaire investor Warren Buffet, who is a legend for successful investments, and his brilliant colleagues in Berkshire Hathaway, were victims to the largest scam in the history of the Bay Area. Berkshire Hathaway lost $349 million investing in a tax scheme involving non-existent solar generators that promised a huge federal tax benefit.

If you have been scammed, maybe you feel a lot better now that you know that even the best and brightest have been scammed.

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**SOURCES:**

[***https://amp.theguardian.com/us-news/2021/nov/10/california-solar-energy-ponzi-scheme-sentencing***](https://amp.theguardian.com/us-news/2021/nov/10/california-solar-energy-ponzi-scheme-sentencing)

**A San Francisco Bay Area man was sentenced to 30 years in federal prison for an ‘egregious’ Ponzi scheme that even scammed Berkshire Hathaway**

**Guardian staff and agencies, Wed 10 Nov 2021**

A San Francisco Bay Area man has been sentenced to 30 years in federal prison for running an audacious solar energy Ponzi scheme that defrauded investors of $1bn, the biggest criminal fraud scheme in the district’s history.

Jeff Carpoff, the 50-year-old owner of the solar energy company DC Solar, was sentenced on Tuesday. His wife, Paulette Carpoff, 47, faces up to 15 years in prison after pleading guilty at the same time to money laundering and conspiracy to commit an offense against the United States.

The couple started DC Solar, based in Benicia, as a legitimate company that made solar generators mounted on trailers, prosecutors said. But the company was later used in an “egregious scheme” to scam its investors, including Warren Buffett’s Berkshire Hathaway.

The Carpoffs used the money to buy and invest in more than 150 luxury cars, 32 properties, a subscription to a private jet service, a semipro baseball team, a Nascar racecar sponsorship and a suite at the new Las Vegas Raiders stadium.

The couple has agreed to forfeit more than $120m in assets, including a fleet of collector cars and vacation homes in the Caribbean, Mexico, Lake Tahoe and Las Vegas purchased entirely with cash. Prosecutors said they intend to use the assets in partial restitution to victims of the fraud. The government already auctioned off 148 vehicles, including the 1978 Firebird previously owned by late actor Burt Reynolds, netting more than $8.2m.

DC Solar marketed its generators between 2011 and 2018 as being able to provide emergency power for cellphone companies or to provide lighting at sporting and other events. But prosecutors say the **owners began telling investors they could benefit from federal tax credits by leasing the generators back to DC Solar**, which would then provide them to other companies for their use.

In fact, prosecutors say the generators never provided much income, and early investors were paid with funds from later investors.

Carpoff and others covered up the scheme with fake financial statements and lease contracts, prosecutors said.

They eventually stopped building the mobile generators altogether, and at least half the company’s claimed 17,000 generators didn’t really exist, prosecutors said.

Instead, they said Carpoff and others said the generators were in locations where they did not really exist. They traded identification number stickers on generators that had been constructed previously. And they hoodwinked investors during equipment inspections.

“He claimed to be an innovator in alternative energy, but he was really just stealing money from investors and costing the American taxpayer hundreds of millions in tax credits,” Talbert said.

The company was involved in $2.5bn in investment transactions between 2011 and 2018, costing investors $1bn, prosecutors said earlier**. Among the investors was Berkshire Hathaway, which lost about $340m.**

**The case represents the biggest criminal fraud scheme in the history of the federal court district that covers inland northern California, according to acting US attorney Phillip Talbert.**

“Carpoff’s egregious scheme fueled his rapacious desire for luxury and prominence with showy, public expenditures,” said Sean Ragan, special agent in charge of the FBI’s Sacramento field office.

Aside from the Carpoffs, five others have pleaded guilty to related offenses and are awaiting sentencing.

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[***https://www.bloomberg.com/news/articles/2021-11-10/billion-dollar-solar-power-ponzi-schemer-gets-30-years-prison***](https://www.bloomberg.com/news/articles/2021-11-10/billion-dollar-solar-power-ponzi-schemer-gets-30-years-prison)

**Scammer Who Cheated Buffett’s Berkshire of $340 Million Gets 30 Years for Ponzi Scheme**

**By Robert Burnson, November 9, 2021**

The co-owner of a California-based solar company was sentenced to 30 years in prison for running a $1 billion Ponzi scheme that attracted big-name investors, among them Warren Buffett’s Berkshire Hathaway Inc.

Jeff Carpoff’s DC Solar built mobile solar generators for sporting events and music festivals. It burnished its image with investors by wildly inflating the number of generators it had produced.

Money poured in through complex deals known as tax-equity funds. Buffett’s company invested $340 million. Other backers included Progressive Corp., East West Bancorp Inc., Valley National Bancorp and Sherwin-Williams Co.

But DC Solar manufactured and leased only a fraction of the roughly 17,000 mobile units it claimed were in use, authorities said. Instead, the firm used money from new investors to pay off old ones, according to a statement from the U.S. Attorney’s Office in Sacramento.

“Jeff Carpoff orchestrated the largest criminal fraud scheme in the history of the Eastern District of California,” Acting U.S. Attorney Phillip Talbert said in the statement.

Carpoff, 50, pleaded guilty last year to conspiracy to commit wire fraud and money laundering, according to court records. At the same time, his wife, Paulette Carpoff, admitted to money laundering and conspiracy. She is scheduled to be sentenced next week.

Five others with ties to the company also have pleaded guilty in connection to the case.

“Mr. Carpoff sincerely regrets his failure to shut down his business when it became apparent that there was an insufficient leasing market for the mobile solar generators it manufactured,” said his lawyer, Malcolm Segal. “He has publicly apologized for his own errors and intends to continue to assist counsel for the investors in pursuing claims against the professionals who ‘found’ ways to avoid market reality.”

The government has recovered about $120 million in lost assets which it intends to return to investors, according to the prosecutors’ statement.

Carpoff was required to forfeit many of his assets including his collection of luxury and collector cars. An auction of the cars netted $8.233 million, the U.S. attorney’s office said.

The Carpoffs used some of the money they made from the Ponzi scheme to buy a minor-league baseball team and a NASCAR sponsorship. They also bought luxury real estate in California, Nevada, the Caribbean and Mexico; a subscription private jet service; a suite at a professional football stadium; and jewelry.