

The Postmodern Ponzi Scheme

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joint work with Jie Han & Tyler Moore

7th September 2012



UNIVERSITY OF
CAMBRIDGE

Computer Laboratory



National Physical Laboratory

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Server Time: 10:53:44 PM

8% weekly 
FOR **50** WEEKS 

News

We are available on [Facebook.com](#) and [Twitter.com](#)

We have launched our official page on Facebook.com and Twitter.com. We will post updates about our operations, services and news there. [more](#)
Sep-4-2012 10:49:56 AM

About TureProfit.com

Have you ever thought of becoming a successful trader to earn a lot of money which will guarantee you financial independence? Have you ever thought of decent retirement? Or just the money rolling into your account passively? Of course you have! Otherwise you would not have arrived at this website.

TureProfit A Private online investment firm works with you to help find the best financial approach to make those desires come true. With robust advice on a wide range of issues. Money management and investment management to the most efficient way to set up your investment and future. Our mission is to promote the online investments for those of you new in this business or have been investing online for a long time not with such a success that you desire.


10 LEVEL REFERRAL PROGRAM
6%-3%-1%-1%-1%-1%-1%-1%-1%

We Accept:



So, is this a good investment ?

The screenshot shows the homepage of 'We Earn You Earn Pvt. Ltd.' with a navigation menu, a cityscape background, and promotional text.

We Earn You Earn Pvt. Ltd.
Yes! U Earn Here.

Home Page
Who We Are?

Our Plans
Investment Offer


REGISTER
Become Member

Our Terms
Terms & Conditions

Contact Us
Customer Support

180% After 5 Days
450% After 10 Days

Select Language | ▼

 Account Menu

Welcome to "We Earn You Earn (Pvt.) Ltd"

High Yield Investment Program

- HYIP is a web-based “ponzi scheme”
- Pays 1% (or more) interest per DAY
 - yesterdays investors paid from capital of new recruits
- Hundreds of websites active at any given time
 - we found 1576 sites over period Nov 10 – Aug 11
- We also found a number of “aggregators”
 - these “reputation sites” list HYIPs and indicate their status
- The aggregators exist because of the assumption that you can make money in ponzi schemes
 - Invest early!
 - Leave early!
- So are the reputation sites truthful ?

03.09 News of StallionGold

Labor Day

Dear Investors and website visitors, due to the Labor Day holiday celebration within the locales affecting our business operations, no profits will be credited to user accounts for the day of upcoming Monday, September 03, 2012.

03.09 News of StallionGold

Celebrating three months online

Dear Investors and website visitors, please join us in celebration of StallionGold's three successful months of online operations. We are truly happy being able to make significant positive changes in lives of all our clients. This is what makes the ...

31.08 News of Bona Fides Ltd.

Welcome!

31.08 News of Benson Union

Callback service + second webinar on September 13.

Benson Union announced multi-language callback service. Just submit the request and we will call you back! Also the next webinar with the CEO of Benson Union is scheduled for Thursday, September 13.

TOP 10 PROFITABLE:

1	EUREX TRADE LLC	469%
2	FX INCO LTR	456%
3	PROFITABLE SUNRISE	387%
4	TUBREPROFIT	353%
5	UNLIMITED EARN	322%
6	BENSON UNION	232%
7	OILTRADEPRO	210%
8	FINVANCE	198%
9	SWISSONLINEFUND	193%
10	PL	181%

[+ Add site](#) | [Complete list](#)

TOP 10 POPULAR HYIPs:

1	PIPSEUND	Today Hits: 62, Hosts: 48
2	SAFE RISK	Today Hits: 61, Hosts: 53
3	E SPEED BUSINESS	Today Hits: 15, Hosts: 5
4	TOP OIL COMMERCE	Today Hits: 15, Hosts: 8
5	UNLIMITED EARN	Today Hits: 14, Hosts: 12
6	AVO INC	Today Hits: 8, Hosts: 8
7	SUCCESSFUL STRATEGY	Today Hits: 8, Hosts: 1
8	LIVE WITH PROFIT	Today Hits: 7, Hosts: 2
9	GROWING HORIZON INC	Today Hits: 5, Hosts: 4
10	PAIDPROGRESS	Today Hits: 5, Hosts: 1

[+ Add site](#)

SwissOnlineFund

Status: **PAYING**

Our Investment: **\$151**

Min/Max: **\$**

Referral: **0.00%**

Monitored: **155 days**

Profit: **0%** daily

Period: **up to days**

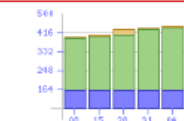
Withdrawal: **Instant**

User Rating: **★★★★☆** (3 users)

Our Rating: **★★★★☆**

ROI: 193% PROFITABLE

HYIPRANK: 28 / 3063



[Calculate your profit](#)

[RSS of SwissOnlineFund](#)

Finvance

Status: **PAYING**

Our Investment: **\$150**

Min/Max: **\$20 - \$500000**

Referral: **0.00%**

Monitored: **52 days**

Profit: **8.00% - 8.00%** daily

Period: **up to 28 days**

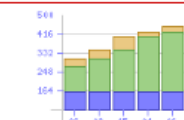
Withdrawal: **Manual**

User Rating: **★★★★☆** (1 users)

Our Rating: **★★★★☆**

ROI: 198% PROFITABLE

HYIPRANK: 26 / 3063



[Calculate your profit](#)

[RSS of Finvance](#)

OilTradePro

Status: **PAYING**

Our Investment: **\$150**

Min/Max: **\$10 - \$50000**

Referral: **0.00%**

Monitored: **414 days**

Profit: **0.02% - 0.05%** daily

Period: **up to 30 days**

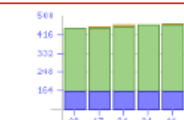
Withdrawal: **Manual**

User Rating: **★★★★☆** (3 users)

Our Rating: **★★★★☆**

ROI: 210% PROFITABLE

HYIPRANK: 3 / 3063



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[RSS of OilTradePro](#)

Benson Union

Status: **PAYING**

Our Investment: **\$2000**

Min/Max: **\$10**

Referral: **0.00%**

Monitored: **233 days**

Profit: **1.20% - 2.45%** daily

Period: **up to 170 days**

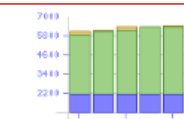
Withdrawal: **Instant**

User Rating: **★★★★☆** (109 users)

Our Rating: **★★★★☆**

ROI: 232% PROFITABLE

HYIPRANK: 5 / 3063



[Calculate your profit](#)

[RSS of Benson Union](#)

Unlimited Earn

Status: **PAYING**

Our Investment: **\$150**

Min/Max: **\$10 - \$500000**

Referral: **0.00%**

Monitored: **235 days**

Profit: **3.20% - 6.20%** daily

Period: **up to 50 days**

Withdrawal: **Instant**

User Rating: **★★★★☆** (98 users)

Our Rating: **★★★★☆**

ROI: 322% PROFITABLE

HYIPRANK: 8 / 3063



[Calculate your profit](#)

[RSS of Unlimited Earn](#)

As a seasoned investment fund, Our have lived the ups and downs of many markets and programs.

Administrator of this program did not submit any news

When you need a wealth management company to handle your private investment matters, Finvance is the leading overseas private investment corporation you can count on.

Administrator of this program did not submit any news

Our program is intended for people willing to achieve their financial freedom but unable to do so because they're not financial experts. OilTradePro is a long term high yield private loan program, backed up by Forex market trading...

Administrator of this program did not submit any news

We help thousands of global customers earn a stable daily profit on the Forex market. Every day by opening a new trading session, we take a step towards successful future of Benson Union

31.08.2012 » [Callback service + second webinar on September 13.](#)

Today Unlimited Earn is one of the most fast-growing and perspective corporations, working on an exchange market. Main company business is trading on FOREX market.

Administrator of this program did not submit any news

Truthfulness of aggregators

- We examined reporting of factual details:
 - Max/min investment
 - Referral rates
 - Types of withdrawal
- Aggregators mainly agreed, albeit not perfectly
 - 87% agreement on min investment
 - 44% agreement on referral rates
 - using Simpson's diversity index, c 0.75 (from range 0..1)
- But aggregators also invest money in HYIPs (to report what occurs) and they must choose the amount to risk...
 - only 10% agreement (diversity 0.51) on amounts
- We conclude aggregators not colluding with each other... so we proceed to use more of their data...

Time to collapse

- We collated measurement of the time-to-collapse – when the HYIPs stopped paying interest to investors
 - unsurprising results!
 - sites with higher interest rates collapse faster
 - sites which prevent immediate withdrawals last longer
- Some aggregators also give a “quality mark” (* to *****)
- We looked at quality ratings 7 days before collapse
 - 92% of HYIPs below 50% (average score was 22%)
- But when we looked at user ratings (people giving their own opinion of the sites)
 - 38% of HYIPs below 50% (average score was 60%)
 - we suggest that the users who are providing the ratings are those with money invested who want to talk up the product !

Does this matter ?

- Lots of wickedness out there, that no-one ever visits...
- But there is real evidence of interest in HYIPs
 - clever tricks with data provided by Google Adwords system allows us to estimate searches of "HYIP" and related terms
 - 441000 searches/month
- Of course not everyone invests... but on some plausible assumptions (including that average investment is \$1000)
WE ESTIMATE REVENUES AT \$6m/month
- Much of the investment funnelled through eCurrencies; notably Liberty Reserve (Costa Rica) & Perfect Money (Panama)
- Certainly real world ponzi schemes matter... Albania, Stanford, Madoff...

Regulatory options

1. Engage law enforcement (complex but has been done)
2. Target digital currencies (cross-border issues make this hard)
3. Squeeze credit card payments (also complex)
4. Undermine the aggregators (needs regulatory changes)
5. Go after high profile (long running) HYIPs to reduce confidence in the sector as a whole

In our view options #5 (targeted #1) and #4 have most mileage

The Postmodern Ponzi Scheme

:paper:

<http://www.cl.cam.ac.uk/~rnc1/hyips.pdf>

:blog:

<http://www.lightbluetouchpaper.org>



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