The Postmodern Ponzi Scheme

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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 now with such a success that you desire.

We Accept:

- Liberty Reserve
- Perfect Money
- SolidTrust Pay
- EGO Pay
So, is this a good investment?
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?
### StatusOnlineFund

- **Status**: Paying
- **Monitored**: 133 days
- **Investment**: $151
- **Profit**: 0.00% daily
- **Withdrawal**: Instant

**User Rating**: 3 stars (3 users)

**Risk Score**: 100% PROFITABLE

**HYBRID**: 29 / 3063

**Calculate your profit**

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### Finance

- **Status**: Paying
- **Monitored**: 59 days
- **Investment**: $150
- **Min/Max**: $20 - $500000
- **Profit**: 8.00% - 8.00% daily
- **Withdrawal**: Manual

**User Rating**: 1 star (1 user)

**Risk Score**: 19% PROFITABLE

**HYBRID**: 26 / 3063

**Calculate your profit**

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### OilTradePro

- **Status**: Paying
- **Monitored**: 416 days
- **Investment**: $150
- **Min/Max**: $10 - $500000
- **Profit**: 0.00% - 0.00% daily
- **Withdrawal**: Manual

**User Rating**: 3 stars (3 users)

**Risk Score**: 21% PROFITABLE

**HYBRID**: 3 / 3063

**Calculate your profit**

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### Person Union

- **Status**: Paying
- **Monitored**: 233 days
- **Investment**: $2000
- **Min/Max**: $10
- **Profit**: 1.20% - 3.45% daily
- **Withdrawal**: Instant

**User Rating**: 10 stars (10 users)

**Risk Score**: 32% PROFITABLE

**HYBRID**: 5 / 3063

**Calculate your profit**

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### Unlimited Earn

- **Status**: Paying
- **Monitored**: 233 days
- **Investment**: $150
- **Min/Max**: $10 - $500000
- **Profit**: 3.20% - 6.20% daily
- **Withdrawal**: Instant

**User Rating**: 9 stars (9 users)

**Risk Score**: 32% PROFITABLE

**HYBRID**: 8 / 3063

**Calculate your profit**

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

:blog:
http://www.lightbluetouchpaper.org