



**SCAM  
ALERT**

# Pyramid Schemes

There have been reports of social media games referred to as the “wheel” or the “blessing loom” where individuals are being asked to deposit \$100 into an account. As in Ponzi schemes, the money collected from victims of pyramid schemes is paid to earlier victims to provide a pretense of legitimacy. These schemes require that the victim themselves recruit others for payment commissions.

These are also referred to as “franchise fraud” or “chain referral schemes” as the real profit is not earned by the sale of a product but the supply of other potential investors. Be wary of these type of scams to “invest” your money.

**IF YOU DO NOT RECRUIT ENOUGH INVESTORS THE PYRAMID COLLAPSES AND YOU WILL LOSE THE MONEY INVESTED. IF YOU HAVE BEEN A VICTIM OF THIS TYPE OF SCHEME PLEASE CONTACT YOUR LOCAL PRECINCT.**

For more information about these online schemes please visit:

**FEDERAL BUREAU OF INVESTIGATIONS “PYRAMID SCHEMES”**

<https://www.fbi.gov/scams-and-safety/common-scams-and-crimes/pyramid-schemes>

**FEDERAL TRADE COMMISSION SCAMS CONSUMER INFORMATION**

<https://www.consumer.ftc.gov/features/scam-alerts>

**NY ATTORNEY GENERAL LETITIA JAMES “DON’T GET CAUGHT IN PYRAMID SCHEME”**

<https://ag.ny.gov/consumer-frauds/pyramid-schemes>

**BROOKLYN DISTRICT ATTORNEY’S OFFICE FRAUDS BUREAU**

<http://www.brooklynda.org/frauds/>