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Attention: The News Editor

FOR IMMEDIATE RELEASE:

PRESS RELEASE

PYRAMID SCHEME OPERATING IN NAMIBIA

The Bank of Namibia has become aware of a network/scheme known as Millionaires List that is operating in Namibia and whose activities resemble those of a pyramid scheme. Millionaires List involves a scheme where investors are promised to be millionaires in a very short period of three months. The members of the public are invited to participate in this scheme through the circulation of e-mails.

After carrying out its preliminary investigation, the Bank hereby declares the operations of Millionaires List in Namibia as a pyramid scheme and hence illegal. The Bank of Namibia as the regulatory body charged with the responsibility of supervising banking institutions and ensuring financial stability in Namibia, issues this public statement to warn and educate the public about the dangers of investing or participating in this particular scheme and other similar schemes that resemble pyramids. Furthermore, the Bank appeals to each and every law-abiding citizen of the country to help the law enforcement officers by reporting such activities immediately when they become aware of them.

How the Millionaires List operates

In order to join the Millionaires List, a person is expected to make an investment of R150.00 by depositing R50 into each of the three accounts given, and to forward the e-mail to at least 200 names and addresses, after which the promised income will flow into his/her bank account within 90 days.

The scheme involves three stages which indicate the income earning capacities of investors once they have joined. These earning capacities depend on the number of e-mails sent and responses thereto. Accordingly, R2 000-00 can be earned in stage one, R80 000-00 in stage two, and R3 200 000 in stage three.

What are Pyramid Schemes?

Pyramid schemes are illegal money-making ventures for individuals at the top of the pyramid who recruit participants and who in turn recruit other participants to offer something of value, usually money. Recruits are offered the promise of money if they successfully bring in others to pay money to join the pyramid. A typical pyramid scheme would focus on the exchange of money and recruitment. Usually, no legitimate product is being sold, hence no underlying commodities or services are involved in the transaction.

The description of pyramid schemes as outlined in this notice fairly suits the operations of Millionaires List. The network/scheme focuses on the recruitment process of people as opposed to selling a legitimate product. As a result, the scheme must fail at one point in time when the recruitment drive reaches its peak.

The Bank therefore warns all promoters of this scheme, including persons that are circulating these e-mails in Namibia, to cease such activities with immediate effect.

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