



FijiFIU

Fiji Financial Intelligence Unit

PRESS RELEASE

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Date	: 14 September 2023	Facsimile	: (679) 331 6454
		Email	: info@fijifu.gov.fj

FIU INVESTIGATES ILLEGAL PYRAMID SELLING SCHEME

Despite repeated warnings, Fijians continue to fall victims of online scams primarily due to “get-rich-quick” mentality. The FIU reiterates its warning to members of the public to exercise extreme caution and not be fooled into engaging in any form of scams and schemes that offer quick profits and *too good to be true* incentives and offers.

The Director FIU, Mr Razim Buksh, said that while only two cases were recently brought to the attention of the FIU involving ‘EbayShop Online Recruiting’ scam, reports on social media indicate several thousand vulnerable Fijians have lost their money to the illegal pyramid scheme through local “agents”. This scam involved an illegal pyramid selling scheme that promised locals to “invest” money and get their money back within a short time, and thereafter receive large returns and profits.

Mr Buksh said that the scam was marketed and offered on the social media network and people were fooled to give their money to the so-called “agents” of “EbayShop” that were operating an unlicensed and unregistered financial investment business in Fiji. The FIU had warned members of the public that pyramid selling schemes and investments in cryptocurrency and foreign digital wallets are illegal in Fiji. “We also advised them of several red flags and indicators that can help them identify such scams”.

Mr Buksh said that anyone promoting or operating a pyramid selling scheme, such as, the ‘EbayShop Online Recruiting’, would commit an offence under section 87A of the Fijian Competition and Consumer Commission Act 2010.

In the first case, a female sales representative at a shop in Suva was brought to our attention who claimed to be an “agent” for the ‘EbayShop Online Recruiting’ scheme. Our investigation showed that between July to August 2023, she made nine large cash deposits to her personal bank account totalling \$33,600 and received 21 bank transfers totalling \$51,500. The bank transactions were made in reference to the desired “Ebay level and fee”. The FIU noted that she conducted multiple cash and remittance transactions before making large cash withdrawals totalling \$52,260 supposedly for her personal use to construct her house, said Mr Buksh.

In the second case, another female, a self-employed lecturer received funds from various parties from January to August 2023 through multiple “wallets”. These wallets facilitated transactions of more than \$300,000 during this period. One of these wallets was used to purchase cryptocurrency from at least three online exchanges through the use of an international debit card, said Mr Buksh.

Members of the public are advised to be vigilant when receiving offers for investments, loans and employment on any online or social media platform. The FIU has previously warned members of the public of cryptocurrency, illegal pyramid selling schemes and online scam in February 2021 and September 2022. The main focus of any pyramid selling scheme is to recruit or increase the number of subscribed users, members or customers rather than the quality and usefulness of products, activities, tasks, action, and services offered. Funds that are collected from the large number of new members and recruits at the bottom of the pyramid is circulated within the organisation until it fails and the agents and founders flee with a large amount of funds.

The FIU has implemented anti-money laundering regulatory controls and preventative measures so that suspected scam transactions are detected and reported to the FIU by commercial banks, money remittance service providers and other financial institutions in Fiji.

Mr Buksh said that today the FIU commenced investigation and profiling of seven known “agents” (managers/promoters) of ‘EbayShop Online Recruiting’, and FIU’s intelligence case reports will be disseminated to the Fiji Police Force for further action including possible restraining and forfeiture of any tainted funds.

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