

Blind Investments Leads Nowhere: Cyber-Forensics Explains About Pyramid Schemes

Cyber-Forensics urges investors to be cautious and understand the scheme. If an individual is unable to understand the investment, it is better to let it go.

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EINPresswire.com/ -- To execute a pyramid scheme, the owner frequently promotes their scheme through social media platforms, company websites, internet advertisements, group presentations, and other means. Often, scams use multi-level marketing (MLM) programs to make their operation look like a legitimate business and get large volumes of promoters can to profit from such schemes.

Pyramid schemes depend on the new investors' funds to pay the old investors. Once the flow of getting new investors breaks, the whole system falls apart, and the investors lose their money.

The digital cryptocurrency industry has also seen many pyramid schemes. Recently in January 2022, Bitcoin Pharaoh, a pyramid scheme, rocked the crypto market, witnessing a bearish phase.

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According to a report, the Brazilian police arrested two men and one woman for stealing nearly \$1.3 million from the investors. Police said that the company managed to increase its earnings to \$7 billion between 2015 to mid-2021 by promising investors a 10 percent increase in monthly returns.

Cyber-Forensics.Net, a team of [fund recovery](#) experts, noticed that such schemes manipulate the investors and tempt them to invest by promising guaranteed returns.

The one running the scheme even offered extra returns to the investors who brought word-of-



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mouth referrals.

What Is A Pyramid Scheme?

A pyramid scheme, also known as a Ponzi Scheme, is where the owner tries to attract as many investors as possible and encourage them to bring in new investors to keep the rotation running smoothly. It is a chain system where the new investors' money pays off prior investors, but at a certain point bringing new investors can be next to impossible. Once there are no new investors, the house of cards falls, causing a significant loss for all the players except the person at the top of the pyramid. In many countries, it is illegal to run a pyramid scheme.

How Are The Main Points To Recognize A Pyramid Scheme Fraud?

Emphasis on referrals: These schemes solely focus on referrals, offering excellent compensation to the investors who recruit new investors. The referral compensation is higher than the product sold in such scams.

Fake services or products sold: Fraudsters often use fancy-sounding products, making it hard to prove that the company is a bogus pyramid scheme. One should be cautious if one cannot understand the scheme's product or services.

No demonstrated revenue from retail sales: An illegal pyramid scheme lacks the documents which show that the company is generating revenue by selling its services or products to the people outside the program instead of using the new investors' money to pay the others.

High returns in a short period: No one can guarantee high returns to investors, so this is a big red flag.

How To Stay Protected From Getting Involved In A Pyramid Scheme Scam?

According to Timothy Benson, a chief analyst at Cyber-Forensics.Net, "Schemes that solely depend on the new participants eventually witness a downfall at a certain level. As the referrals start to grow at one point, the scheme requires participants equal to the population of the United States to maintain the program, which is next to impossible."

- Understand the product or services the company is selling outside the program.
- Keep track of the investments and see where they are using them.
- New investors should be cautious and understand the investments.
- Ensure that the scheme isn't focusing on referrals.
- Do not believe in promises such as high profit with low or no risk in a short time.
- Analyze the prospectus thoroughly.
- Ensure that the product or services of the company are registered.

How To Recover Lost Bitcoins In Such Schemes?

Losing hard-earned money or bitcoins in a scam can easily blow the fuse of an individual. With all the frustration and embarrassment, the victim can lose hope of recovering their lost fund. But it is possible to recover the lost funds in online scams with the help of fund recovery services.

Cyber-Forensics.Net is a company that provides recovery services and helps the victims [recover scammed bitcoin UK](#). Cyber-Forensics consists of professional individuals from different domains who use their years of knowledge and experience and combine it with modern advanced technology to trace the scammer's location and bring the lost funds back to the victim.

[How To Withdraw Funds From Forex Companies?](#)

If brokers refuse to return the money, an individual can contact state authorities or get expert consultation. They can even hire agencies dealing with forex fraud and help people withdraw their funds.

Cyber-Forensics.Net also works in this field, and it has built a reputable name for helping thousands of Forex traders to retrieve their funds.

About Cyber-Forensics.Net:

Cyber-Forensics.Net is committed to providing the most accurate tracing service for victims of online scams. Cyber-Forensics.Net empowers and simplifies the process of tracking down the cyber-criminals and assists in recovering the funds and working with authorities. For more information, please visit <https://cyber-forensics.net>.

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