

## About Ponzi Scheme:

A Ponzi scheme is a fraudulent investment operation where the existing investors are promised heavy returns with little to no risk. The focus is on luring new clients, wherefrom money is collected which is used to pay the original investors as returns or profits. The victims tend to believe that profits are coming from legitimate business activity whereas they remain unaware that other investors are the source of funds.

This chain continues as long as new investors contribute new funds, and most of the investors do not demand full repayment.

### Do's and Don'ts

- **Do** insist to know more about any such schemes to find out the genuineness and authenticity before investing.
- **Do** adopt vigilant and cautious approach against the scammers.
- **Do not** get carried away by schemes promising extraordinary commissions or returns in short span of time.
- **Do not** invest before making concrete enquiry about the company/ promoters/ scheme.

## About Money Mule:

Money mules are often victims who receive and move illegitimate money acquired on behalf of someone else. Some money mules know they are assisting with criminal activity, while others are unaware that their actions are helping fraudsters. Acting as a money mule is illegal and punishable, even if you aren't aware that you're committing a crime.

### Do's and Don'ts

- **Do** examine the person or company before doing business with them.
- **Do** confirm the identity and contact details of the employing company.
- **Do** inform your financial institution in case of any doubt.
- **Do** report the scam to local law enforcement agency for trapping the fraudsters.
- **Do not** respond to e-mails/ SMS asking for your bank account details.
- **Do not** fall prey to luring job offers/ commission/ heavy returns etc.
- **Do not** communicate with anyone who asked you to transfer or move money from unverified sources.
- **Do not** agree to receive or send money for unknown persons without ascertaining genuineness of transaction.