



The Financial Intelligence Unit (FIU) issues this Alert in accordance with section 7(1)(d) of the FIU Act, requiring the FIU to take such measures as may be necessary to counteract financial crimes.

## **FRAUD ALERT**

### **FRAUDULENT INVESTMENT SCHEMES**

**June 3, 2016**

It has come to the attention of the FIU that one or more fraudulent investment schemes may be operating in Belize.

In a typical scheme, the promotor(s) induce persons to invest small sums of money in the scheme by promising them a substantial return in a very short time. Potential victims are often encouraged, or required, to bring their friends into the scheme as well. The promotor(s) may host social events and publicly give money to early “investors” to demonstrate that persons are being paid their return. However, in these schemes, no actual investment is made. Any payout is made from money contributed by later victims.

These schemes crumble when the promotor(s) or other “investors” cannot induce enough victims to pay into the scheme to cover all the promised returns. The higher the promised return, the faster the scheme falls apart.

The general public are urged to exercise the following measures:

- Be cautious of investment opportunities that offer extraordinary rates of return on your investment.
- Be cautious of investment opportunities that require you to recruit subsequent investors to increase your profit or recoup your initial investment.
- Independently verify the legitimacy of any franchise or investment or consult an unbiased third party before you invest.

Report any suspected cases of fraud to your nearest Police Station.

## **Financial Intelligence Unit**

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