

██████████ 2021

Dear ██████████

Official Information Act #21.018 - Pyramid schemes

1. We refer to your Official Information Act 1982 (OIA) request transferred to the Commerce Commission (**Commission**) from the New Zealand Police on 9 August 2021 for the following information:
 - 1.1 details of all investigations into 'pyramid schemes' (as defined by the Commission)¹ each year for the past ten years, including outcomes of those investigations and punishments imposed in the courts; and
 - 1.2 any records that summarise the social demographics targeted by pyramid schemes.

Our response

2. We have decided to grant your request.
3. The Commission has made enquiries into ten alleged pyramid schemes during the past ten years;² including three live matters.
4. We have provided details of the matters below. Please note that we have provided limited details for one of the live investigations, under section 6(c) of the OIA as the disclosure of these would likely prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial.
5. You can find further information about the investigation outcomes in the Enforcement Response Guidelines on our website.³

¹ Pyramid schemes: <https://comcom.govt.nz/consumers/dealing-with-typical-situations/pyramid-schemes>

² Period from 9 August 2011 to 9 August 2021.

³ Enforcement Response Guidelines : <https://comcom.govt.nz/about-us/our-policies-and-guidelines/investigations-and-enforcement/enforcement-response-guidelines>

Project number	Scheme	Description	Outcome
PRJ0013860	Mobilio / Justbeenpaid	Programme alleged to offer high rates of interest on investments; alleged that investors were placed at level in programme based on amount invested and could change that level on the introduction of additional investors.	Compliance advice letter
PRJ0013551	Fastrack90	See https://comcom.govt.nz/news-and-media/media-releases/2014/commerce-commission-cracks-pyramid-selling-scheme	Prosecution: convicted and ordered to pay \$140,000
PRJ0015153	Infinity Downline	Scheme alleged to sell training software for computer products; alleged that participants could earn money by recruiting additional participants to scheme.	No further action
PRJ0016430	Women's Gifting Circle	See https://comcom.govt.nz/news-and-media/media-releases/2019/commerce-commission-warns-women-involved-with-womens-gifting-circle	Warning ⁴
PRJ0033678	Bitcoin Aotearoa	Social fundraising platform; alleged that participants could earn bitcoin donations and promotion to a higher level in scheme by recruiting additional participants to donate bitcoin.	Compliance advice letter
PRJ0032058	Worldventures Marketing	Enquiries into WorldVentures Marketing ("WV" including 'Dream Trips World Ventures') in New Zealand to consider whether WV had been promoting and operating a pyramid selling scheme.	No further action
PRJ0043918	OneCoin	Investment opportunity alleged to be based around promotion and sale of educational packages involving	No further action

⁴ Four warning letters were issued. Women's Gifting Circle: <https://comcom.govt.nz/case-register/case-register-entries/womens-gifting-circle>

Project number	Scheme	Description	Outcome
		mining and trading in OneCoin cryptocurrency.	
PRJ0044472	[withheld]	[withheld]	Active
PRJ0045028	Lion's Share	See: https://comcom.govt.nz/case-register/case-register-entries/lions-share-and-shelly-rose-cullen	Active
PRJ0045389	6K Gifting Co-operative	The scheme promoted itself as a 'gifting' scheme. The alleged sole source of receiving income from the scheme was through the recruitment of new participants.	Active

6. The Commission does not hold any records that summarise the social demographics targeted by pyramid schemes.
7. If you are not satisfied with the Commission's response to your OIA request, section 28(3) of the OIA provides you with the right to ask an Ombudsman to investigate and review this response. However, we would welcome the opportunity to discuss any concerns with you first.
8. Please note the Commission will be publishing this response to your request in the OIA register on our website.⁵ Your personal details will be redacted from the published response.
9. Please do not hesitate to contact us at uia@comcom.govt.nz if you have any questions about this request.

Yours sincerely



Alexandra Murray
OIA and Information Coordinator

⁵ <https://comcom.govt.nz/about-us/requesting-official-information/oia-register>