



Press Release 2020-015

Warning for Pyramid and other COVID-19 related scams

Willemstad/Philipsburg – The Centrale Bank van Curaçao en Sint Maarten (CBCS) hereby warns the public about fraudulent offerings, pyramid-like schemes, and other coronavirus (COVID-19) related scams. These scams are promoted using the COVID-19 situation as a cover to victimize unsuspecting or vulnerable persons, considering that in times of economic stagnation and downturn, people may be more inclined to try to make "easy money".

A Pyramid Scheme is a type of fraudulent investment scheme that profits almost solely by recruiting other participants into the program. The CBCS again warns the public to be cautious of the following pitfalls of a Pyramid Scheme: 1. Emphasis on recruiting; 2. Promise of high return in short term; 3. Complex commission structure; 4. No genuine product or service is offered; and 5. Easy Money.

Please note that schemes like Crowd1, may be violating laws by evading legal requirements such as obtaining a license from the CBCS to raise funds from the public for collective investment purposes. Please note that raising funds from the public for collective investment purposes, without a license from the CBCS is a punishable offense.

Furthermore, the CBCS is cognizant of the impact of the COVID-19 situation, and the vulnerability of persons who may have been directly impacted by the fall-out of COVID-19 measures. The CBCS warns of the following scams, capitalizing on the unprecedented anxiety caused by the COVID-19 Pandemic:

-Work-from-home scams: fraudsters are taking advantage of individuals looking for alternative sources of income due to COVID-19 related measures.

-Personal Finance scams: fraudsters are using the fear of current economic conditions to target individuals, posing as a financial institution and requesting sensitive financial or personal information.

-Fake Government Messages: fraudsters may target individuals purporting to be government officials arranging government assistance and aid, prompting victims to provide their personal or financial details.

The CBCS will continue to take preventive and repressive steps in its efforts to stop alleged Pyramid and other fraudulent schemes from violating the rules and regulations of the CBCS within the jurisdictions of Curaçao and Sint Maarten. Therefore, if you suspect or are aware of a Pyramid or any other fraudulent scheme in Curaçao or Sint Maarten, we urge you to contact the CBCS on telephone number +5999 434 5500 or by email info@centralbank.cw. The CBCS also recommends the public to consult its website

<https://centralbank.cw/warningnotices>¹ for a complete overview of recently issued investors' education information and warning notices.

Willemstad, April 28, 2020
CENTRALE BANK VAN CURAÇAO EN SINT MAARTEN

¹ <https://centralbank.cw/warning-notice-regarding-flower-e-flor>
<https://centralbank.cw/investor-education-pyramid-schemes>