




PRESS RELEASE

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The Central Bank of Lesotho wishes to warn the public about the increasing number of illegal investment schemes which are intended to defraud the public by luring it to invest with them with a promise to repay their money at very high rates of return. The Central Bank advises the public to desist from investing in these schemes and puts it on record that they are illegal and have not been licensed by the Central Bank of Lesotho.

Currently, the public is specifically warned against activities of MMM Global, MMM South Africa, KIPI, World Ventures and other similar schemes. What is striking about these schemes is that while they are very old forms of fraud, modern technology has significantly increased their potential for harming those who may be lured to invest. The internet in particular offers pyramid promoters a multi-lane highway to rapidly attract customer from all over the world. Some Basotho are believed to have already registered as investors in these intricate money-exchange schemes. The public is warned that these schemes remain illegal in Lesotho.

If an investment scheme is a scam, it is usually characterized by the following:

- The entity is not licensed to operate in the country
- The investment promises unusually high returns;
- The underlying product is unclear;
- The manner in which the scheme is administered is complicated;
- The identity of the entity in terms of its owners, physical address, and financial details is obscure;
- The transaction does not offer any legitimate documentation in the form of share certificates or proof or any form of a contract that gives the transaction legal standing; or

- Any other details that suggest that the entity is questionable.

For more information, contact the Central Bank of Lesotho's Department of Supervision at 22232138/22232225