

Dirt Pile and Pile Gold finally the Pyramid..... Beware !!!

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Money is a commodity everybody likes and loves. Since time immemorial mankind's greed for money has been insatiable and there germinate fraudulent ideas to make money as fast as possible and people do design innovative schemes to achieve their objectives. One of such scheme is Dirt Pile and Pile Gold. Exploiting the human psychological attraction toward this yellow metal, high pressure salesmen tactfully encourages the prospective to buy a quantum of unprocessed raw dirt from a mine which they advocate as the one containing good amount of precious metal. They promise to get such dirt processed on larger scale and the resultant gold shall be property of the investor. The entire scheme is presented in such a manner that phenomenal profit appears to be a great possibility. The investors who forget that "A financial scheme that sounds too good to be true, it probably is" and invest their hard earned money and / or borrowed money mostly finds that their investment is now a pile of dirt without gold.

Pyramid Scheme is another such classic example of day time fraud. These are invariably the grave yards of investments. In such schemes people are attracted to make investments to harvest rich returns which are normally not available in any service or industrial project. So far so good. Instead of investing funds in real projects, they are used to pay people at the top. For example, a promoter gets an investor to invest Rs.10000/=. The

promoter gets Rs. 5000/= and the first investor gets Rs. 5000/= immediately – this is marketed as 50% return in a very short time. The promoter trains and helps the first investor to get second investor and third investor. From the money received from second and third investor, the promoter and first investor gets Rs.5000/= each, the second and third investor gets Rs.5000/= each. The promoter is on the profit run from the start and the first investor gets 50% return again. The second and third investor come in the range of 50% return. This sounds very attractive !! The first investor now trains and helps second and third investor to have two investors each of them. The process goes on and the pyramid keeps expanding.

Beware no tangible investment is done. The new investments are used to pay the people at the top ! There is a design defect in the scheme itself which ordinarily people can not see. As you go down the pyramid you require more and more investors. Mathematically speaking the scheme can work only if supply of investors is infinite which is simply not a reality. The pyramid is bound to collapse – it is only matter of limited time frame. When the pyramid collapses the investors at the lower levels who are many lose their money hands down. Beware of such Pyramids and never never walk in to such pyramids .