

Large-Scale Fraudulent Investment Scheme Taken Down



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European Law Forum: Prevention • Investigation • Prosecution

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News

An action day on 11 June 2024 resulted in the takedown of a **fraudulent pyramid scheme** using an investment model that focused on the leasing and subleasing of cryptocurrency machines, such as exchange machines and hardware for mining. It promised returns of 70% before tax for the leasing of (non-existing) cryptocurrency products, involving alleged investments in server storage for internet cloud services and the subleasing of crypto exchange machines. Subsequently, a pyramid scheme was created, where most of the revenue for earlier investors came from more recent investors. The scheme targeted thousands of victims, causing losses of up to €113 million.

Authorities from Germany and Switzerland formed a Joint Investigation Team with the support of Eurojust as well as authorities from Austria, Czechia, Lithuania, and Liechtenstein. Through the action, six arrests and 29 searches were conducted as well as evidence seized and assets frozen.

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