

White collar crimes

Usov Oleg 421gr.

Useful vocabulary

fraud
bribery
insider trading in the stock market
money laundering
wage theft
identity theft
Forgery
Espionage
Depositor



fraud- финансовые махинации

Bribery- взятки

insider trading in the stock market -использование конфиденциальной информации для торговли на фондовом рынке

money laundering- отмывание денег

wage theft - кража заработной платы

identity theft - кража личных данных

forgery - фальсификация

Espionage-акт получения конфиденциальной информации без разрешения владельца информации.

Depositor- вкладчик



HOW A PONZI SCHEME WORKS

TOP LEVEL / SCHEMER

The schemer convinces someone to invest by promising an unusually high rate of return.



SECOND LEVEL / INVESTORS

Investors place their money with the schemer, initially receiving the investment returns.



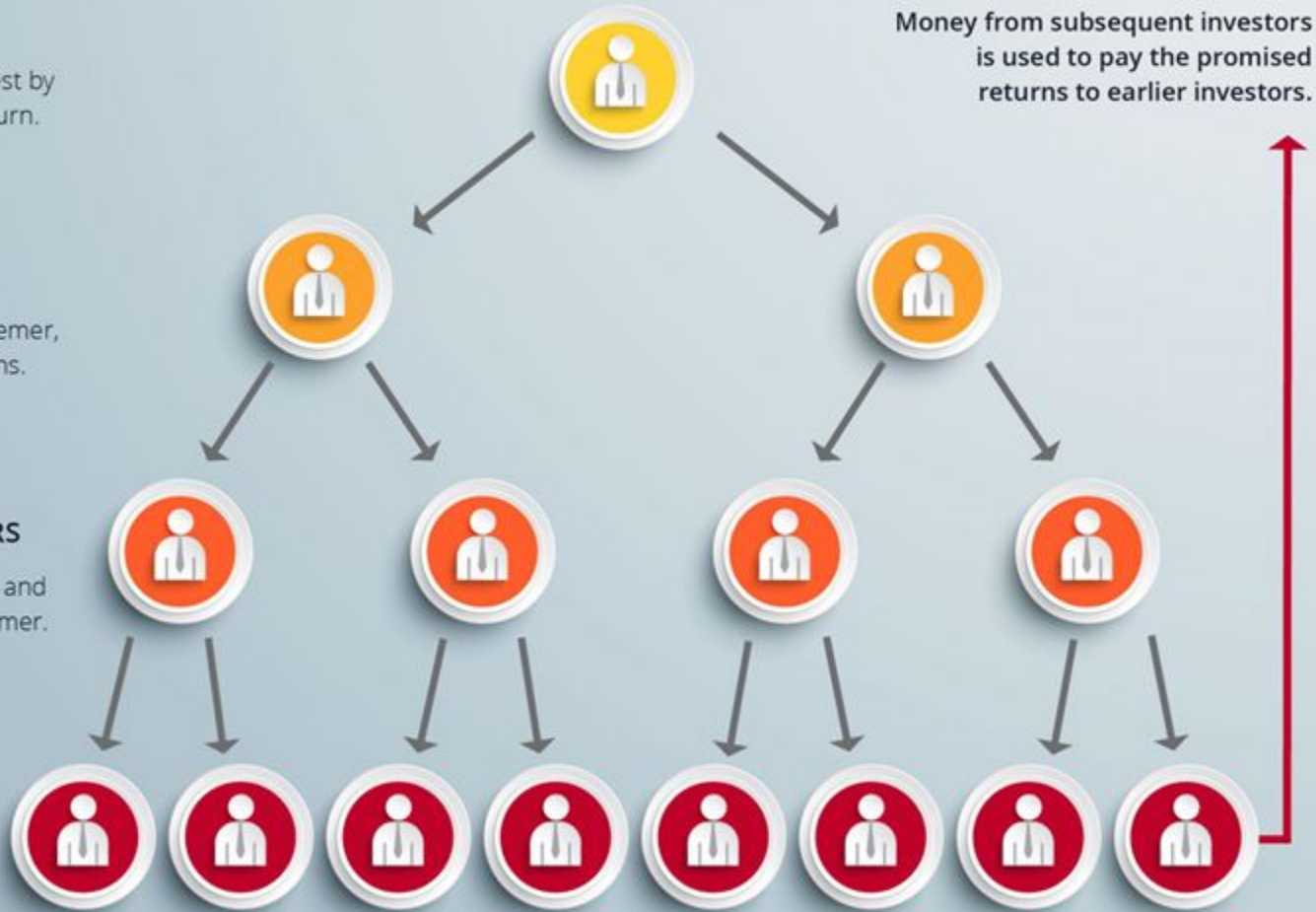
THIRD LEVEL / MORE INVESTORS

More people see the operation working and decide to join in, investing with the schemer.



FOURTH LEVEL / EVEN MORE INVESTORS

The scheme gets more popular and more people invest.



Russia's most infamous fraudster Sergei Mavrodi, whose notorious MMM Ponzi scheme deprived millions of Russians of their life savings during the 1990s.

Mavrodi who had been on the run trying to avoid the long arm of the law due to his fraud schemes, was arrested in Moscow with a forged passport in January 2003. In April 2007, the court found him guilty of swindling millions of Russians out of their life savings and sentenced him to 4.5 years in jail for fraud.



Question for discuss

Are there depositors ,who continued to support Ponzi schemes after its revealing?

Why do you think it was possible to deceive depositors for so long?