



## *PRESS RELEASE*

### *Central Bank of Samoa*

## **Beware of OneCoin Operations, Central Bank warns**

(25<sup>th</sup> APRIL 2019); The Central Bank of Samoa, through its Financial Intelligence Unit, recently received a spontaneous intelligence report from the New Zealand Financial Intelligence Unit (NZFIU) regarding the OneCoin operations. The 124 page Intelligence Report notes the following main elements:

1. OneCoin is labelled as a “Hybrid Ponzi-Pyramid Scheme” because the scam contains ingredients of both types of scams – Ponzi Scheme and Pyramid Scheme.
2. Because of the CBS prohibition on all OneCoin transactions in May 2018, NZFIU have formulated the view that this propelled the financial problem in NZ. That is, OneCoin has circumvented Samoa’s financial system (because of our blockages on all OneCoin transactions at all Financial Institutions in 2018), and have opted to use the NZ Financial System to conduct their businesses and transfers.
3. NZFIU have estimated that \$3.5m NZD was transferred out of NZ.
4. The target of OneCoin is through the Churches. There are two large churches that were used in OneCoin operations. These two Churches, although originated in Samoa, have branches in New Zealand and Australia, thereby affecting the *Pasefika community*. This is why NZFIU have formulated the view that public education on the issue would be futile because the Church Ministers *are* the promoters, and they are held out to be trustworthy, hence, people of the congregation will follow suit.

5. There are a number of Samoan individuals implicated in the report, and they have conducted transactions using either Samoan, Australian or NZ banks. These individuals are currently under scrutiny and potential investigation. The offence of money laundering is now a maximum of 15 years imprisonment, or a maximum fine of \$1 million tala, or a combination of both.
6. Some of our Money Transfer Operators (“MTOs”) have also been implicated, which we will not be naming at present. However, we will be monitoring them closely and considering whether further action may be taken in light of the detailed report by NZFIU, which is a confirmation of the information that we already possess.
7. The Bank Accounts of churches may have also been used as vehicles for these transfers, such as Worship Centre and SISDAC: here in Samoa, New Zealand and Australia. These accounts are supposedly compromised.

#### **Advice to the Public**

8. Any person or organization or entity that conducts any cryptocurrency/investment presentations, workshops or dealings without the prior approval of the Central Bank, commits an offence and may be subject to criminal prosecutions and convictions to a fine and/or an imprisonment term.
9. Any of the hotels or organizations that hosts any of these cryptocurrency investments/workshops/dealings without the prior approval of the Central Bank may also be liable as a party to any of these criminal proceedings as outlined in paragraph 8 above.
10. Please contact the Financial Intelligence Unit at telephone numbers 34-121 or 34-194 for any further information on this.