
Interview by Chairman of the Russia's Investigative Committee A.I. Bastrykin to Rossiyskaya Gazeta



“Alexander Bastrykin: Builders of new financial pyramids are non-punishable”

A bill, worked out by the Russia's Investigative Committee, provides for adding to the Criminal Code a new article 1721. It provides criminal liability for making a financial pyramid and (or) its management. The builders of such pyramids will be punished by at least a large fine, maximum- two years in prison.

The amendment was needed because at present it is impossible to jail a creator of a financial pyramid. There seem to be no pyramids, but there is a certain “Fund of Help”, which often tells that people will get money from contributions of others. There is no violation of law about that, but there are deceived people. And there are more and more of them.

Not only the Investigative Committee is concerned about that. A bill of RF Supreme Court No. 53700 6, providing for liability for the same deed, is pending in State Duma Committee on civil, criminal, arbitration and procedural legislation.

Rossiyskaya Gazeta asked Head of the Investigative Committee Alexander Bastrykin to tell about the new bill.

Mr Bastrykin, yesterday it became known that in Perm criminal investigation over a financial pyramid Gorod is completed. 1,045 people have become its victims. Basically, contributors were elderly people. The retired people invested money at high interest, but they couldn't get back either their investments or the interests. The damage sums vary from 1 thousand rubles to three million of rubles. The pyramid operated since March 2005. Officially it was a credit union. Criminal proceedings were eventually launched against the director of the organization. How long have the reporters to write about such pyramids? Today the pyramids are disguising trustworthy names like “mutual aid fund”.

Alexander Bastrykin: Indeed, over the past decade there are widely spread in the Russian Federation all kinds of organizations and informal unions of physical persons, whose activity is based on principles of financial pyramids. At present, apart from financial pyramids acting on the federal level, there are a lot of regional organizations and unions of this kind.

What is the danger in such mass building of pyramids?

Alexander Bastrykin: Taking into account the scope of activity of such organizations they pose a real threat to the economic security of the country.

That serious? What is your reasoning?

Alexander Bastrykin: These unions prevent inflows of the capital to real economic sectors. People, who were promised high profits, don't invest their money in securities or other financial tools, they don't give it to banks. They give their the money they have earned by a hard work to a certain group of people, who aren't engaged into business or any other economic activity. Moreover, further lack of payouts entails mass distrust to other financial institutions and intense social conflicts.

What is the classical model of financial pyramid like?

Alexander Bastrykin: It implies that the organizers conceal from potential investors the source of profits they pay to people or fake gaining income from an allegedly highly profitable financial activity. They also conceal from potential investors the fact that at a certain stage of company's activity it can stop paying interests.

Qualification of actions of creators of pyramids based on such classical scheme usually does not pose any difficulties. Everywhere in the world they are cited for swindling.

However, there are no pyramids like in times of "early Mavrodi". There are societies or some other organizations.

Alexander Bastrykin: In order to avoid criminal liability creators of financial pyramids have recently invented a new scheme. They honestly inform potential investors that the money is paid at the expense of funds received from other investors and that at a certain moment of time the payouts could seize. Considering these facts, investors form the line to be among the first.

To stimulate people to give them money, the pyramids have some kind of ideological base (religious, financial and economic, moral). In this case an organization or a union can call themselves, for example, “fund of believers”, “mutual aid fund”, etc.

But you simply cannot jail a “mutual aid fund”.

Alexander Bastrykin: Indeed, it is almost impossible to cite organizers or managers of financial pyramids based on this model without direct prohibition of their activity in the law.

Therefore, organization of even such pyramids in many countries is against the law. Such activity is prohibited and criminally punishable in, for example, Albania, Australia, Austria, Brazil, Great Britain, Hungary, Germany, Denmark, Dominican Republic, Spain, Italy, Canada, China, Columbia, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Romania, USA, Taiwan, Thailand, Turkey, Philippines, France, Sweden, Switzerland, Estonia. Bills providing criminal liability for creation and participation in the activity of financial pyramids are pending in legislative bodies of Ukraine and Kazakhstan.

And what are we waiting for? When all unemployed builders of pyramids come to us?

Alexander Bastrykin: We are not waiting. We do understand that any delay in introducing criminal liability for creating pyramids in Russia might cause this activity to move to Russia, mass deceit of Russian citizens and explained by this social tension. That is why the Russia's Investigative Committee has worked out this bill.

Изображения



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