

FEATURED ARTICLE

The Ponzi Trap: How Get-Rich-Quick Schemes Devastate Lives and Economies

-By Prof. Adewale Obadare

In economic downturns when people are hard-pressed, many slip into survival mode, wanting quick returns or “quick fixes.” While wealth creation typically requires hard work, patience, and strategic investments, the temptation to bypass these processes becomes stronger during downturns. Instead of learning how money works, some fall for the illusion of easy riches. This creates fertile ground for the rise of get-rich-quick schemes or Ponzi schemes—fraudulent investment scams that promise high returns with little or no risk.



The Nigerian Experience

Nigeria has witnessed multiple waves of Ponzi schemes. In the early 2000s, schemes like Nospecto, Wealthland, Treasureland, and Safeteg fleeced many investors. In the last decade alone, notorious examples include MMM, CBEX, Ultimate Cyclor, Pennywise Wealth Management, Chinmark Group, Crowdyvest, and MBA Forex.

Understanding Ponzi Schemes

Ponzi schemes are not new. Although similar scams existed before him, Charles Ponzi gave the fraud its name in the 1920s after operating one of the most notorious large-scale versions. These schemes use money from new investors to pay returns to earlier ones, creating an illusion of profitability. As long as new investors keep joining, the system appears to work—until it inevitably collapses, leaving the majority with devastating losses.

MMM appealed to Nigerians as a financial “community” helping members through mutual donations. Using influencers, word-of-mouth marketing, and religious platforms, it gained traction and attracted millions. But by December 2016, it collapsed, leaving many devastated and, in tragic cases, suicidal.

Subsequent schemes followed the same script: flashy language, fake business models, initial payments to attract more victims, and

then a total crash. For example, in Ultimate Cyclor, one invested N12,500 to supposedly get N500,000 within a month.

Then came “wonder banks” like Pennywise, Chinmark, Crowdyvest, and MBA Forex. They used industry language and influencers to push fancy but empty business models. The promises of outrageous interest rates drew thousands, yet investors had no clear idea how these platforms made money. Many, lured by previous earnings, kept reinvesting—a fatal mistake when the inevitable crash came.

Soon, cracks begin to appear: “Maintenance is being carried out” or “Service channels upgrade.” Investors are left dry. Unfortunately, more schemes will surface, and people will still fall for them.

Why People Fall for These Schemes

- Desperation and Poverty: In hard times, people look for shortcuts to survive.
- Herd Mentality: Many invest simply because others are, assuming safety in numbers.
- Greed and Ignorance: The promise of turning N10,000 into N100,000 within weeks is too seductive.
- Lack of Financial Literacy: Many don't understand legitimate investments or how to assess risk.

Building Real Wealth: A Smarter Path

True wealth is not built on hype or luck; it is earned through value creation. The rules of money never change. Yet most people are too lazy to be wealthy. They want money, but hope it comes by “luck.” Ignoring red flags, they plunge into Ponzi schemes, often with tragic outcomes. There is no substitute for intelligent work; wealthy individuals are smart and hard workers. They don't throw their earnings into vague, risky ventures.

Practical Advice

- Learn how money works. Study personal finance and investment basics. Money is a reward for solving human problems.
- Decide what wealth means to you and



SEC NIGERIA

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PUBLIC NOTICE!

CBEX (CRYPTO BRIDGE EXCHANGE) / SUPER TECHNOLOGY/ ST TECHNOLOGIES INTERNATIONAL LTD

The attention of the **Securities and Exchange Commission** ("The Commission") has been drawn to recent media reports/publications on the activities of **CBEX (Crypto Bridge Exchange)**. CBEX, which also operates under the corporate identity of **ST Technologies International Ltd, Smart Treasure/Super Technology**, has held itself out as a digital asset trading platform, offering high returns to investors in Nigeria.

The Commission hereby clarifies that neither CBEX nor its affiliates were granted registration by the Commission at any time to operate as a Digital Assets Exchange, solicit investments from the public or perform any other function within the Nigerian capital market.

Preliminary investigations carried out by the Commission have revealed that CBEX engaged in promotional activities to create a false perception of legitimacy, in order to entice unsuspecting members of the public into investing monies, with the promise of implausibly high guaranteed returns within a short timeframe. CBEX has failed to honour withdrawal requests from their subscribers and abruptly closed their physical offices, amid mounting complaints.

Pursuant to the provisions of **Section 196 of the Investments and Securities Act 2025**, the Commission would collaborate with relevant law enforcement agencies to take appropriate enforcement action against the CBEX, its affiliates and promoters.

The Commission uses this medium to remind the public to **REFRAIN** from investing in or dealing with any entity offering unrealistic returns or employing similar recruitment-based investment models. Prospective investors are advised to **VERIFY** the registration status of investment platforms via the Commission's dedicated portal: www.sec.gov.ng/cmss before transacting with them.

SIGNED:
MANAGEMENT
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what value you'll exchange for it.

- Understand that wealth building is an intelligent enterprise rooted in knowledge and skill—both sellable and scalable.
- Know that wealth takes time, patience, and persistence. Start small, diversify, and be patient.
- Avoid vague or overly attractive offers. If it sounds too good to be true, it probably is.
- Make building wealth your responsibility.
- Ask critical questions: How does the company make money? Is it registered? What product or service backs the investment?

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EXPERT INSIGHT

From Insight to Impact: Turning Economic Opportunities into Tangible Growth in Q2

By Oluseun Adu FCA, MBA

- Execution of low-barrier business ideas
- Stories of collaboration, cooperatives, and diaspora funding
- Leveraging tech. and platforms to enable action



From Insight to Impact: Turning Economic Opportunities into Tangible Growth

In an emerging market like Nigeria, many individuals and small businesses struggle to translate economic insights into tangible growth. This challenge requires a concerted effort focused on execution, collaboration, access to resources, and the strategic use of technology. A few practical tips, as highlighted in this article, can help discerning minds take advantage of the numerous opportunities in the Nigerian economy.

One of the low-hanging fruits is the execution of low-barrier business ideas. Indeed, many corporations now worth billions started as simple ideas. Needs and problems abound in developing economies like Nigeria, and a starting point could be to identify those that require minimal initial investment. Basic skills like phone repairs, digital marketing services and artisanal crafts can be picked up and traded for monetary rewards, focusing on lean

operations with low overheads that can later expand. Businesses that address specific needs within local communities are more likely to gain traction quickly.

Instead of just identifying that "people need food", the insight becomes "there's demand for affordable, locally sourced snacks in the neighbourhood". Execution involves developing a simple menu, sourcing ingredients locally, setting up a stall, and marketing directly to neighbours.

Collaboration is very important. Small businesses or individuals in similar or complementary sectors should form informal or formal clusters, leveraging shared resources and skills. This also allows for mentorship programmes, where experienced entrepreneurs help new business owners gain access to wider markets.

A good number of diaspora Nigerians feel a personal connection and genuinely want to invest in small businesses back home. Such opportunities can be realised through clear and trustworthy platforms or mechanisms where businesses can pitch their ideas. Diasporans can invest directly in ventures owned by family, friends, or community members. This requires robust due diligence and transparent reporting on fund use and business performance. Diaspora members

with relevant expertise should be encouraged to mentor or advise, not just fund.

The formation of legally recognised cooperatives for small businesses in specific sectors will also prove useful. This provides a structure for collective savings, access to micro-loans, and joint ventures. Cooperatives can build a stronger market presence through unified branding, pooled resources, mentoring, training, and joint marketing.

Technological platforms are key enablers. Small businesses can adopt affordable ecommerce tools to reach markets beyond their locality. Digital payment systems enhance transactions and record-keeping. Training in social media and online tools help expand customer reach and access to regulatory updates. Simple apps aid inventory, sales, and accounting tasks.

Nigerian authorities must ensure initiatives are accessible to small businesses, especially those in rural areas with limited digital literacy. In-person support and low-cost participation are essential.

By focusing on these practical steps—execution, collaboration, diaspora support, cooperatives, and technology—small businesses can turn economic insights into tangible, impactful growth.

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UPCOMING EVENTS

Business

Event	Date	Location	Focus Area	Highlights	Link for More Info
Global Entrepreneurship and Investment Summit 2025	July 21–22, 2025	Lagos, Nigeria	Connecting entrepreneurs with global investors to foster economic growth	Pitch competition with N100M prize, B2B matchmaking, networking	aidca.africa
Fortune Entrepreneur Summit 2025	August 24–26, 2025	Lagos	Startups, Innovation, Investment	Sector-specific masterclasses, pitch arena, investor lounge	fortuneentrepreneur.com
Nigerian Economic Society (NES) Annual Conference 2025	September 8–11, 2025	Abuja Continental Hotel (Sheraton), Abuja	Economic Transformation, Social Inclusion	Debates on policy and development challenges in Africa	nigerianeconomicsociety.org
Nigeria SME Expo 2025	September 10–12, 2025	Abuja	SME Growth, Finance, Capacity Building	Workshops on funding, business expansion, and market access	businesstimes.ng



Nigeria's Path to Becoming the Fifth Largest Economy by 2075

Goldman Sachs, the world renowned and a leading global investment banking and securities firm, in its December 2024 presentation on the world economy in 2075, had projected that Nigeria's economy by the year 2075, will rank as the 5th largest with a GDP (Gross Domestic Product) value of \$13.7 trillion, coming after those of China: \$57 trillion; India: \$52.5 trillion; United States: \$51.5 trillion; and ahead of others like Indonesia: \$13.1 trillion; Pakistan: \$12.3 trillion; Egypt: \$10.4 trillion; Brazil: \$8.7 trillion; Germany: \$8.1 trillion; and Mexico: \$7.6 trillion.

A glimpse of that future for other African countries is:

Ethiopia: \$6.2T (#17)

South Africa: \$3.3T (#26)

Ghana: \$1.5T (#32)

highlighted four key growth drivers of our sociopolitical and economic lives that should be focused on to work towards the actualization of this projection, rather than sit back and hope it will happen - Demographic advantage (which is what the first three world largest economies have today and will always use); Agriculture and food security; Energy and Industrialization; Digital economy and technology.

It also identified the challenges of Political and Governance constraints; Infrastructure deficits; Economic diversification; Education and Workforce development; as well as Security and conducive Investment Climate, as the bane of achieving this lofty global status.

With a young population, rapid urbanization, technology adoption, and emerging trade relations, Africa is not just in the future, Africa is NOW!!! It's time to believe in our country, invest, build, and grow together.

Read the full article at:

<https://businessday.ng/opinion/article/nigeria-s-path-to-becoming-the-fifth-largest-economy-by-2075-prospects-challenges-and-policy-imperatives/?amp>

The BusinessDay newspaper in its opinion page of February 10th 2025 analyzed the pathway for Nigeria to becoming the 5th largest economy in the world by the year 2075. In its submissions of prospects, challenges and policy imperatives, the media channel,



MARKET TRENDS

High Prices Weakening Our Purchasing Power - Nigerians

Nigerian households have said that the astronomical increase in prices will weaken the economy and their purchasing power. This is based on the April 2025 Household Expectations Survey of the Central Bank of Nigeria.

CBN said a significant majority or 71.2 percent of surveyed households, believe that the Nigerian economy would weaken if prices were to rise faster than the current rate.

Nigeria's inflation rose to 24.23 percent in March 2025 following the Consumer Price Index (CPI) rebasing.

"Unlike in the past, where the base year was 2009, the base year for the rebased CPI is 2024. Meaning, we are comparing prices in 2025 with prices in 2024 instead of 2009. Also, the CPI baskets are not the same," said the National Bureau of Statistics (NBS).

Food prices also dropped from 39.8 percent to 26 percent, after the rebasing. The respondents argued that a drop in interest rates will lead to price reduction.

According to the CBN, most respondents or 49.4 percent of the households, favoured a decrease in interest rate. The overall outlook for consumers reveals that they are pessimistic due to their family financial situation and economic conditions.

According to CBN, the index stood at -15 percent in April, showing a worse outlook compared to March 2025, which stood at -6.1 percent.

In April, the report said households perceive prices to be relatively high at -22.8 index points. They also believe that prices will rise with a pessimistic index point of -26.7 in May; -29.5 and -25.6 points.

(Source: <https://thewhistler.ng/high-prices-weakening-our-purchasing-power-nigerians/>)

strategy+business

The New Ways to Win in Emerging Markets

Three critical capabilities for leading global growth

1

Operational efficiency

- Develop more short-term and flexible business strategies
- Build efficient supply chains through technology and local partnerships
- Optimize footprint by reevaluating manufacturing presence

2

Innovation

- Find new ways to reach untapped markets
- Adopt a continuous, step-wise approach to innovation
- Design localized products for the emerging market consumer

3

Go-to-market excellence

- Enable presence across multiple channels and price points
- Build an ecosystem of partners to navigate the complex environment
- Develop a strong local organization; cross-share global best practices

Source: strategy-business.com/growthmarkets
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MARKET UPDATE

Nigeria Economy Q2 2025

Indicator	Q2 2025	Key Trends & Analysis
GDP Growth Rate	Performance 2.8% (YoY)	Slight uptick from Q1 (2.5%) due to improved oil output and non-oil sector resilience
Inflation Rate	22.1% (YoY, June 2025)	Remains elevated but shows marginal decline from Q1 (23.5%) due to tighter monetary policy
Monetary Policy Rate (MPR)	20.5% (CBN holds rate steady)	CBN maintains a hawkish stance to curb inflation and stabilise the naira
Exchange Rate (USD/NGN)	Official: ₦1,450/\$1 Parallel: ₦1,620/\$1	Naira volatility persists due to FX liquidity constraints and speculative demand
Oil Production	1.45 million bpd (up from 1.3 million in Q1)	Improved security in Niger Delta boosts output, but still below OPEC quota
Foreign Reserves	\$36.5 billion (up 5% from Q1)	Higher oil revenues and Eurobond inflows bolster reserves
Unemployment Rate	12.7% (from 13.2% in Q1)	Slight improvement due to informal sector growth and government job initiatives
Stock Market (NGX ASI)	-4.2% (QoQ)	Bearish sentiment persists amid high interest rates and investor caution
Debt-to-GDP Ratio	42% (from 40% in Q1)	Rising borrowing costs and fiscal deficits drive debt upward
Key Policy Developments	- Fuel subsidy reforms phased further. - Tax reforms (new VAT adjustments)	Government focuses on fiscal consolidation amid public discontent over rising costs

Outlook for Q3 2025

- Inflation may ease further if harvest season boosts food supply.
- Naira stability hinges on CBN's FX management and oil output.
- Investor confidence remains fragile due to policy uncertainties.

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The Ponzi Trap...

Conclusion:

Make Wealth Your Responsibility

When it comes to money, there are no shortcuts—only strategies. Taking responsibility for your financial education is your best defense. A good rule of thumb: if it promises extraordinary returns with little effort, it is likely a Ponzi scheme.

Don't let desperation or greed blind your judgement. Wealth is not luck. It is the reward for providing value—intelligently, ethically, and consistently.

Prof. Adewale Obadare, a Cybersecurity expert is Forbes Best of Africa Outstanding Digital Trust Leader Awardee and the First Professor of Practice—Cybersecurity in Nigeria.

UPCOMING EVENTS

TECH

Event Name	Date(s)	Location	Highlights	Link for More Info
Africa Technology Expo (ATE) 2025	June 21, 2025	Landmark Event Centre, Lagos, Nigeria		https://www.africatechnologyexpo.com/
EAGxNigeria 2025	11–13 Jul 2025	Nigerian Airforce Conference Centre and Suites, Abuja	An opportunity to connect with people and organizations in the Effective Altruism community, exchange ideas, and discover actionable ways to make impact	https://apiconf.net/
APIConf Lagos 2025	July 18–19, 2025	Lagos, Nigeria	The second edition of APIConf aims to promote API literacy among developers.	https://tally.so/r/wAxxk0
Lagos Startup Week 2025	July 21–26, 2025	Lagos, Nigeria	Brings together founders, investors, and tech enthusiasts.	https://event.web3bridge.com/
Web3 Lagos Conference 2025	August 28 - August 30, 2025	The Zone, Gbagada, Lagos, Nigeria	Focuses on Web3 technologies, and aims to bring together experts and enthusiasts.	https://event.web3bridge.com/
Tech Women Fest 2025	August 2025	Zone Tech Park, Gbagada, Lagos, Nigeria	Celebrates women in technology, offering workshops, panels, and networking opportunities	https://techwomenfest.com/
GITEX Nigeria:	3 – 4 September	Eko Hotel Convention Centre, Lagos	Brings together 100+ global tech leaders, 3,000+ professionals, and 100+ exhibitors to showcase innovations in AI, fintech, cybersecurity, and IoT, and to forge partnerships, explore frontier technologies, and drive Nigeria's digital economy forward	https://www.gitexnigeria.ng/

MARKET PRODUCT PRICES

Market Variables

Indicators	January 2025 (₦)	May 2025 (₦)	% Change
Exchange Rate (₦/\$)	1,615	1,623	0.49
Gross External Reserve (\$'bn)	39.72	38.3	-3.58
PMS (Petrol) - ₦/litr	925	890	-3.78
Inflation (% General Average)	24.48	23.71	-0.77

Inflation Trends for Goods and Services

Key Essentials	January 2025 (%)	May 2025 (%)	% Change
Food and Beverages	51.8	40.1	-11.7
Clothing and Footwear	7.7	5	-2.7
Housing and Utilities	16.7	8.2	-8.5
Health Services	3	6.1	3.1
Transport	6.5	10.7	4.2
Hospitality	1.2	12.9	11.7

Periodic Food Inflation

Commodity	January 2025 (₦)	April 2025 (₦)	May 2025 (₦)	% Change (Jan/May 2025) QoQ	% Change (Apr/May 2025) MoM
Yam (3 tubers)	12,000	9,000	10,500	-12.5	16.7
Eggs (1 crate)	6,000	5,800	5,500	-8.3	-5.2
Beef (1 kg)	7,200	7,200	7,200	0	0
Beans (1 bag)	100,000	72,000	82,000	-18	13.9
Rice (50 kg bag)	95,000	85,000	82,000	-13.7	-3.5
Gari (50 kg bag)	35,000	37,000	37,000	5.7	0
Tomatoes (1 basket)	35,000	44,750	58,500	67.1	30.7
Wheat Flour (10 g)	14,500	12,000	12,000	-17.2	0

Source: Channels TV and Nairametrics

USEFUL LINKS

There are about 190 billion Naira unclaimed dividends, according to the Security and Exchange Commission (SEC). Here is how to claim yours:

1. Go to sec.gov.ng/non-mandated/
2. Type only your surname/last name on the search box
3. Click search
4. Look through the search results for your name
5. Click on your name and the company in which you have shares/ outstanding dividends will display
6. Click and follow through with the process of claiming your dividends

You will need a Clearing House Number (CHN); if you don't have one, a stockbroker will help.

More relevant links you will find useful:

<https://portal.cscs.ng/home/register>
<https://docuhub3.nibss-plc.com.ng/edmmms/self-service>

Notes

- Inflation rate of essential goods and services will continue to dwindle despite projected GDP marginal increase
- Health care services expected to increase marginally due to continuous capacity depletion, lack of infrastructure and exit of pharmaceutical companies
- Food prices likely to rise due to planting season effects and persistent lesser domestic production
- Naira to remain stable, trading between N1,620-N1,650/\$ (parallel market)
- Money market instruments investment projected to rise by June
- Transaction volume anticipated to grow

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