

# Old wine in a new bottle



## How an MLM company is embezzling crores of taka by promising unsuspecting job-seekers jobs that don't exist

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Sitting in a waiting room with around 15-16 people, in an office named Gazipur City Agency located on the 4th floor of the RAJUK zonal office, you could feel the palpable tension of the interviewees waiting to be called in. The staff tried to reassure them that this job could change their life within a very short time. But they could only get the job after passing an interview with senior officials.

I too sat with the candidates, waiting for my turn to be interviewed. I was recruited for this by a senior marketing officer of the company, who approached me with the prospect of a job in management, with a salary of Tk 17,600, and free accommodation. All I needed in order to secure this future was Tk 50,000. The money, he said, was a refundable security deposit.

This is a story of how "recruiting" companies lure people with promises of jobs that don't actually exist, and skive off money from them in exchange.

Remember the whole Destiny 2000 Ltd scam where a company embezzled 5,113 crore 95 lakh taka from people by asking them to invest in non-existent ventures? In 2013, this debacle blew up shedding light on a burgeoning industry of multi-level marketing (MLM) companies that cheated lakhs of people of their hard-earned money through something called "pyramid schemes". A pyramid scheme is where people are cheated into paying to get involved in a shady business—this can mean buying products that don't exist, or investing in ventures with no returns.

In 2013, the government banned pyramid marketing by passing the Multilevel Marketing (MLM) Activities Control Ordinance 2013. They did this because lakhs of people were cheated by MLM companies, such as Destiny 2000, Unipay2u, ITCL and many more. Meanwhile, the members at the top of the pyramid made a huge amount of money by embezzling from their clients.

After introduction of the Ordinance,

the fraudulent activities of MLM businesses did go down. But it appears they are back in business—simply with a new name and a new game. The new model targets unemployed, little-educated youth from rural areas. Companies calling themselves "marketing companies" promise jobs to people, in exchange for payment of Tk 30,000 – Tk 50,000 in cash.

I went undercover into one such agency. An employee of the company gave me the lead—he told me that his company was involved in fraudulent activities, and that they were offering non-existent jobs to jobseekers and making money off of them. Then a while into the "job", the newly-recruited employees were given a target—they had to recruit people into the company. The employee who approached me had been asked to do the same after being taken into the job. So I went in—I pretended to be a newly-divorced woman who only had a high-school degree, and now needed to earn her keep.

After waiting for more than 20 minutes in the waiting room, a person came and



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asked me whether I had brought my necessary documents, including four copies of photos, an NID copy and educational certificates. He then asked for Tk 550 for the application form. After a few minutes, the official who had spoken to me over the phone came and took his seat at the waiting room. He then took a small interview of me by asking some basic general knowledge questions. "What day is February 21?" he asked. I passed the interview with flying colours.

After the first interview, the officer asked me whether I had brought the security deposit. When I replied that I was able to manage only half the required amount, he seemed miffed. "I'm going to arrange another interview for you with one of our senior employees. After the interview, you have to pay the whole amount. If you want to secure your job, you have to pay the money to him rightaway. I will tell the boss that you will provide the rest of the money soon," he said.

I gingerly entered the next interview room. A man asked for my personal details and work history. He also then proceeded to ask me a few general knowledge questions. I intentionally gave wrong answers just to test whether they are truly looking for qualified candidates.

"I know you cannot answer my questions because you have dropped out from your study for long years now but I'm still giving you an opportunity," he said at last, "but you have to pay Tk 50,000 within half an hour. Otherwise, we will replace you with someone else."

His words cleared all my doubts that this is truly a pyramid scheme. I needed to get out of the room and needed a pretext. All employees have to live on-site. I decided to jump on that as an excuse.

"Can I commute from home?" I asked.

"No, it is mandatory for all," he said.

"Then I have to talk to my brother waiting outside," I replied.

After that, I came out of the room and demanded to see the living quarters—my main aim was to talk to some of the present employees. I was taken into a building, where eight women live in a two-room flat. There were no beds and damp clothes hung from clotheslines inside the rooms. I asked a woman in her early 20's, about her job. She said it was a 'management job', but couldn't explain what she actually did in the company. It was also unclear to me why they all were at home during working hours.

Getting out of the flat, I told the recruiter that I didn't like the living quarters and so wouldn't be taking the job. Using that as an excuse, I saved myself from getting conned.

But these are the important things I found out about the company:

There was no signboard of the establishment. They didn't allow me to see and sign the application form, and no one was wearing an identity card. The company goes by 'Gazipur City Agency' in that branch but I found some brochures and application forms inside the office, which mentions the name of the company as Lifeway Bangladesh (Pvt) Ltd. There is no definite information on how many branches the company has in the country since they constantly change their office space. Alamin Jewel, a senior employee of the Gazipur branch, says, currently they have 53 branches in Uttara, Gazipur, Tongi, Jatrabari, Savar, Cumilla and Chattogram.

The former employees we interviewed say that each branch operates under a different name, such as City Electronics, Nova Company, IMG Electronics, City Group of Company, Umbrella Outsourcing and so on. According to the victims targeted in this city, most of the branches accommodate nearly 300 gullible job seekers and from each of them, the company takes money in the name of a refundable security fee. The money is never refunded. If the victims' statements are accurate, it means this company has already embezzled approximately Tk 42 crores from gullible job seekers.

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