MATERIUM

The 12 signs of a scam

As seen in 16 real MATERIUM case files

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Before you start

In 1822, a Scottish soldier sold bonds in London for a country that did not exist. In 2022, a crypto exchange collapsed with 105 bitcoins in the till while it owed its customers almost 100,000. Between the two: two centuries, a different technology, different victims. The signs are the same.

In MATERIUM's first season we opened 16 case files on major real-life scams: from the Eiffel Tower to FTX, from Madrid to Moscow, from Antigua to Silicon Valley. Lay them side by side and twelve signs keep coming back. A fraud doesn't need all twelve. One is enough reason to stop and check.

This guide helps you recognize them. Each sign comes in four parts:

- **What it is**, in two plain sentences.
- **The case file**: the real case from the series where it shows up, with one fact and its source.
- **The question that stops it**: the one that should set off the alarm.
- **The 2026 version**: how it looks today, on your phone, on social media and in crypto.

A note on method. Each person's legal status is the one recorded in our sources, with its date. Being charged is not the same as being convicted. Every fact, with its source.

01 Impossible returns

What it is. You're offered big gains, fast and risk-free. No real business pays like that for long; whoever promises it is usually paying out of other people's money.

CASE FILE 04

Baldomera Larra · Madrid, 1876

The daughter of the writer Mariano José de Larra opened a deposit house on the Plazuela de la Paja and promised up to 30% interest a month. At that rate, money doubles in less than three months. Thousands of Madrid residents handed her their savings until the house stopped paying and she vanished from Madrid in December 1876.

Legal status: acquitted by Spain's Supreme Court and released in February 1881.

Also in: Case File 03 · Charles Ponzi (Boston, 1920).

LAW OF DECEPTION 04

"Impossible returns always find believers."

THE QUESTION THAT STOPS IT

"What real business produces this, and why isn't my bank offering it to me?"

THE 2026 VERSION

Trading or crypto platforms that show fixed daily or weekly returns, "bots" that trade on their own and dashboards where your balance grows every morning. The number on the screen is typed by the people taking your money.

Source: elconfidencial.com · Baldomera Larra (2023, in Spanish)

02 The rush

What it is. "Today only", "last few places", "the price goes up tomorrow". The urgency is there so you have no time to check or to ask anyone.

CASE FILE 08

Jordan Belfort · Long Island, 1989-1996

Stratton Oakmont's brokers cold-called small investors from sales scripts and pushed shares in tiny companies the firm itself controlled; the insiders sold at the top. In 2003 the court ordered Belfort to pay $110,362,993.87 in restitution to 1,513 victims.

Legal status: sentenced on July 18, 2003 to 4 years in prison; he served about 22 months.

LAW OF DECEPTION 08

"The one in the biggest hurry for you to buy is the one already selling."

THE QUESTION THAT STOPS IT

"What happens if I take a week to think it over?" If the answer is that you'll miss out, you have your answer.

THE 2026 VERSION

WhatsApp or Telegram "signal" groups that all announce the coin or stock of the day at once, and calls from so-called advisers asking you to move your money "before the market closes". Whoever is rushing you is usually the one selling.

Source: longislandpress.com · Belfort's victims (2014)

03 Secrecy and borrowed authority

What it is. Someone claims to speak for an official body and asks you to keep it quiet. The secrecy serves them: it stops you from asking the one person who would tell you no.

CASE FILE 01

Victor Lustig · Paris, 1925

He introduced himself to Paris scrap dealers as a senior official at the Ministry of Posts and Telegraphs. He told them the state was going to dismantle the Eiffel Tower and sell it for scrap, and he met them in a hotel suite, not an office, because the matter was "too delicate". The businessman André Poisson paid for the tower and a bribe on top; according to later accounts, he never went to the police.

Legal status: died in custody on March 11, 1947 in Springfield, Missouri, while serving 20 years for counterfeiting and escape.

LAW OF DECEPTION 01

"The victim's greed does the con man's work."

THE QUESTION THAT STOPS IT

"Can I call that body myself, on an official number I look up on my own, and ask?"

THE 2026 VERSION

The fake bank employee, police officer or tax official who calls or messages you on WhatsApp, tells you not to hang up and not to tell anyone, and asks you to move your money to a "safe account". Hang up and call the official number yourself.

Source: smithsonianmag.com · The Man Who Sold the Eiffel Tower

04 You earn by bringing in others

What it is. The money doesn't come from selling anything real but from new people joining. When the newcomers stop, the system collapses and the last ones in lose.

CASE FILE 05

Ruja Ignatova · OneCoin, 2014-2017

OneCoin sold packages of a supposed cryptocurrency through a multi-level marketing network. According to US prosecutors, who describe it as a pyramid scheme, it took in more than $4 billion from at least 3.5 million victims.

Legal status: Ruja Ignatova has been charged in New York (2017) and in Bielefeld, Germany (2025); she has never stood trial over OneCoin and remains a fugitive, whereabouts unknown (as of November 2026). Sebastian Greenwood, co-founder and head of the sales network, was sentenced to 20 years in prison on September 12, 2023.

Also in: Case File 03 · Charles Ponzi, who paid his agents a commission on every loan they brought in.

LAW OF DECEPTION 03, FROM THE PONZI CASE FILE

"Pay the first ones, and they'll bring you the next."

THE QUESTION THAT STOPS IT

"If nobody new joined tomorrow, where would my earnings come from?"

THE 2026 VERSION

Tokens and "investment communities" with tiers, referral bonuses and leaders who show off their cars. Also paid "task" apps that ask you to top up your balance and invite friends to level up.

Source: irs.gov · Mark Scott's sentence and OneCoin figures (2024)

05 Proof made by the seller

What it is. Brochures, websites, certificates, contracts and screenshots produced by the same person who is selling to you. They look like proof, but all they prove is that someone knows how to print.

CASE FILE 02

Gregor MacGregor · Poyais, 1822

A Scottish soldier who had served as a general under Bolívar invented a country, Poyais, on the Mosquito Coast, between present-day Honduras and Nicaragua. To sell it, a 355-page guidebook circulated under the name of one "Captain Thomas Strangeways", almost certainly MacGregor himself. Settlers sailed for a capital that did not exist: of the roughly 250 to 270 who set out, at least 180 died.

Legal status: acquitted of fraud in Paris in 1826; died in Caracas on December 4, 1845, never convicted.

LAW OF DECEPTION 02

"If the lie is big and detailed enough, nobody checks it."

THE QUESTION THAT STOPS IT

"Who, without being paid by them, has seen this with their own eyes?"

THE 2026 VERSION

Screenshots of profits, licenses with official-looking seals, reports full of charts and videos of offices, all of which AI can now produce in minutes. Look the company up yourself in the regulator's register, not on its own website.

Source: history.co.uk · Gregor MacGregor's Poyais scam

06 Prestige as an alibi

What it is. A position, a title, a résumé or a reputation that makes everyone stop asking. Reputation takes the place of checking.

CASE FILE 06

Bernard Madoff · New York, until 2008

A former chairman of the Nasdaq, he was one of the most respected names on Wall Street. Between 1992 and 2008 the SEC, the US securities regulator, received six substantive complaints about him; it carried out three examinations and two investigations, and never uncovered the fraud.

Legal status: pleaded guilty to 11 felonies on March 12, 2009; sentenced to 150 years; died in prison on April 14, 2021.

Also in: Case File 12 · Frank Abagnale, whose "Catch Me If You Can" legend weighs more than his 1971 federal conviction over ten Pan Am payroll checks.

LAW OF DECEPTION 06

"Prestige is the perfect alibi."

THE QUESTION THAT STOPS IT

"Setting aside who they are, what can I check for myself about where my money is?"

THE 2026 VERSION

Award-winning fund managers, gurus with a book and a string of interviews, "experts" with a verified badge on social media. No badge replaces a statement from an independent custodian.

Source: cnbc.com · the SEC and the Madoff complaints (2009)

07 Far from the regulator

What it is. The product is registered in a distant country with a small regulator, or none at all. If something goes wrong, nobody in your country answers for it.

CASE FILE 07

Allen Stanford · Antigua, until 2009

His Antigua-based Stanford International Bank sold about $7.2 billion in certificates of deposit, many of them to Latin American savers. The head of Antigua's financial regulator, Leroy King, was on Stanford's payroll according to prosecutors; he pleaded guilty to obstruction in 2020 and was sentenced to 10 years in 2021.

Stanford's legal status: sentenced to 110 years on June 14, 2012; as of November 2026 he remains in prison in Florida.

LAW OF DECEPTION 07

"The saver's fear is the con man's capital."

THE QUESTION THAT STOPS IT

"Which regulator in my country authorizes this, and under what registration number?"

THE 2026 VERSION

Brokers and crypto platforms "regulated" on far-off islands, with no registration with the regulator where you live. In the US, look them up on FINRA BrokerCheck and the SEC's databases; in the UK, on the FCA Register and its warning list.

Source: sipc.org · Stanford International Bank certificates (2011)

08 Celebrities are promoting it

What it is. A famous face recommends the investment, the product or the event. Someone else's fame tells you nothing about whether the thing exists.

CASE FILE 10

Billy McFarland · Fyre Festival, 2017

A luxury festival in the Bahamas promoted by models and influencers. According to the bankruptcy trustee's lawsuit, Kendall Jenner was paid $250,000 for a single post; in 2020 she paid $90,000 in a settlement, with no trial and no admission of wrongdoing. Meanwhile, Fyre Media's real revenue was $57,443 in one year, against the "millions" McFarland showed his investors.

Legal status: sentenced to six years in prison on October 11, 2018; released in 2022.

Also in: Case File 13 · Lou Pearlman, the creator of Backstreet Boys and NSYNC, who raised more than $200 million from more than 1,000 savers.

LAW OF DECEPTION 10

"When celebrities promote it, nobody asks if it exists."

THE QUESTION THAT STOPS IT

"Is the celebrity saying this on their official account, and do they answer for any of it?"

THE 2026 VERSION

Deepfake videos of celebrities, TV hosts or politicians recommending a platform, and pages that imitate real newspapers. You don't need to be able to spot the fake video: just check elsewhere, on the official account and in the regulator's register.

Source: justice.gov · McFarland's guilty plea · nbcnews.com · Kendall Jenner's settlement (2020)

09 Love that asks for money

What it is. A relationship that starts on an app or on social media, moves fast and sooner or later brings an urgent need for money. The luxury they show you is part of the script.

CASE FILE 09

Shimon Hayut, "the Tinder Swindler" · Europe, 2018

He passed himself off as "Simon Leviev", heir to the diamond magnate Lev Leviev, to whom he is not related. Cecilie Fjellhøy, who met him on Tinder in London in January 2018, says she took out about $250,000 in loans for him.

Legal status: convicted in Finland (2015) and in Israel (2019, 15 months); never tried over the cases in the documentary, which he denies; released in Georgia in November 2025.

LAW OF DECEPTION 09

"The wealth they show you is being paid for by the previous victim."

THE QUESTION THAT STOPS IT

"Have I met this person face to face, in their real life, before they asked me for anything?"

THE 2026 VERSION

Attractive profiles that message you on WhatsApp "by mistake", video calls with an AI-swapped face, and the version that blends romance and investing: your partner shows you their crypto platform. In 2024 the FBI received reports of $672 million in losses from romance scams alone in the US.

Source: etonline.com · Cecilie Fjellhøy (2022) · ic3.gov · Internet Crime Report 2024

10 Asking questions is betrayal

What it is. The group turns into a community, almost a faith. Anyone who doubts is a hater or an enemy, and the victims end up defending the con man.

CASE FILE 11

Sergei Mavrodi · MMM, Russia, 1994

His pyramid was advertised on television with a lovable character, Lyonya Golubkov. On July 29, 1994, MMM's share price fell from about 115,000 rubles to 1,000 in a single day. Even so, Mavrodi came back with MMM-2011 and took the model to Nigeria. When he died in 2018, his funeral was paid for by his own followers, according to a lawyer quoted in the Russian press.

Legal status: sentenced to 4 years and 6 months for fraud in April 2007; died in Moscow on March 26, 2018.

LAW OF DECEPTION 11

"When the victims defend the con man, he no longer needs to hide."

THE QUESTION THAT STOPS IT

"What happens in the group when someone asks an awkward question?"

THE 2026 VERSION

Telegram channels and Discord servers where doubts are deleted as "FUD" (fear, uncertainty and doubt), leaders who ask you to "trust the process" and payouts frozen "for maintenance".

Source: kommersant.ru · the fall of MMM (1994, in Russian) · 360.ru · Mavrodi's funeral (2018, in Russian)

II Nobody outside can check it

What it is. The technology, the method or the accounts are so "secret" or so complex that no independent party can review them. What can't be audited can't be believed.

CASE FILE 15

Elizabeth Holmes · Theranos, 2013-2015

She promised hundreds of tests from a few drops of blood. According to the SEC, her Edison device ran about 12 of the more than 200 tests on the company's menu, and even so Theranos raised more than $700 million from investors.

Legal status: sentenced in November 2022 to 135 months, reduced to 123 in March 2026; in prison in Texas, with release expected in February 2030.

Also in: Case File 14 · Enron, where entities almost nobody understood inflated five quarters of earnings by almost $1 billion.

LAW OF DECEPTION 15

"If you promise the future, no one audits the present."

THE QUESTION THAT STOPS IT

"Who independent has tested it, and where can I read the results?"

THE 2026 VERSION

"An AI that invests for you", trading algorithms nobody is allowed to see and projects asking for money for a technology that "can't be shown yet".

Source: sec.gov · SEC complaint against Holmes (2018)

12 You can't get your money out

What it is. Seeing a balance is not the same as having it. When withdrawals are delayed, capped or require you to pay a fee or a "tax" first, the scam is in its final stage.

CASE FILE 16

Sam Bankman-Fried · FTX, 2022

The platform showed its customers balances in bitcoin. When it collapsed in November 2022, FTX.com held 105 bitcoins against almost 100,000 owed to customers. According to the CFTC, the US derivatives regulator, more than $8 billion in customer deposits was lost.

Legal status: sentenced to 25 years in March 2024; in prison in California, with release expected in 2043; his appeal to the Supreme Court and his request for a pardon are pending (November 2026).

LAW OF DECEPTION 16

"Getting your money back doesn't mean it wasn't stolen."

THE QUESTION THAT STOPS IT

"Have I already withdrawn money to my own bank, and how much?"

THE 2026 VERSION

Crypto and trading platforms that block withdrawals until you pay a "release fee", a tax or a "verification". That payment unlocks nothing: it is the next charge.

Source: courtlistener.com · prosecutors' filing (SDNY) · cftc.gov · complaint against FTX (2022)

The 12 questions at a glance

1. **Impossible returns.** What real business produces this, and why isn't my bank offering it to me?
2. **The rush.** What happens if I take a week to think it over?
3. **Secrecy and borrowed authority.** Can I call that body myself, on an official number I look up on my own?
4. **You earn by bringing in others.** If nobody new joined tomorrow, where would my earnings come from?
5. **Proof made by the seller.** Who, without being paid by them, has seen this with their own eyes?
6. **Prestige as an alibi.** Setting aside who they are, what can I check for myself about where my money is?
7. **Far from the regulator.** Which regulator in my country authorizes this, and under what registration number?
8. **Celebrities are promoting it.** Is the celebrity saying this on their official account, and do they answer for any of it?
9. **Love that asks for money.** Have I met this person face to face, in their real life, before they asked me for anything?
10. **Asking questions is betrayal.** What happens in the group when someone asks an awkward question?
11. **Nobody outside can check it.** Who independent has tested it, and where can I read the results?
12. **You can't get your money out.** Have I already withdrawn money to my own bank, and how much?

If an answer makes you uneasy, stop. Talk it through out loud with someone you trust: explaining an offer to someone else is often enough to expose the trap.

If it has already happened

It isn't your fault, and it happens to a lot of people. In our 16 case files the victims included doctors, bankers, professional investors and lifelong savers. What matters now is acting quickly and through official channels.

1. **Don't make a single further payment**, even if you're promised it will unlock your money.
2. **Call your bank today** on the number printed on your card or listed on its official website. In some cases it can try to stop or dispute a transaction. In the UK, you can dial 159 to reach your bank safely.
3. **Keep all the evidence**: messages, emails, receipts, links, account numbers and screenshots.
4. **Report it.** In the US, to the FTC at ReportFraud.ftc.gov and, if it happened online, to the FBI's Internet Crime Complaint Center at ic3.gov. In the UK, to Report Fraud, the service that replaced Action Fraud, at reportfraud.police.uk or on 0300 123 2040 (England, Wales and Northern Ireland); in Scotland, to Police Scotland on 101. Elsewhere, to the police in your country.
5. **Tell the financial regulator** if it involved an investment: the SEC (sec.gov/tcr) in the US, the FCA in the UK.
6. **Beware of "fund recovery" services.** Anyone who contacts you offering to get your money back in exchange for an upfront fee is running another scam. The FBI warned about this in its August 11, 2023 alert on fake crypto fund-recovery companies. No authority charges you to investigate.

This guide is for general information. It is not financial or legal advice: it helps you recognize warning signs, and the final check is always yours.

Source: ic3.gov · FBI alert PSA230811 (2023-08-11)

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A new case file every Tuesday and Friday

On YouTube, every week, we open a real case with its documents, figures and sources.

MATERIUM.TV

Every fact, with its source. We open the case file.