

Here's how a crypto ponzi scheme looks like

Description

Breaking news:

This is probably the only time you'll ever see Budget Babe feature and tell you to check out a Ponzi Scheme on her blog.

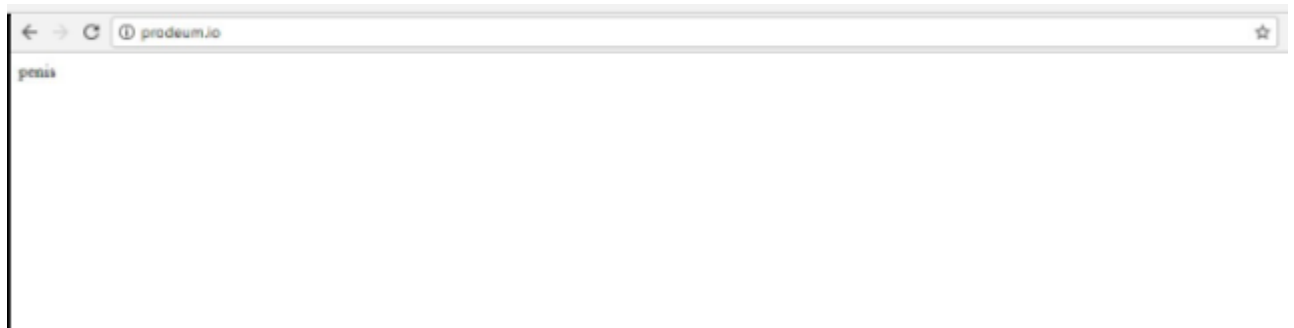
The horror!!!!!!!

So I just came across one of the most impressive and smartest crypto projects I've ever seen. In fact, the entire scheme is so full of genius – if people buy, you get dividends; if people sell, the price lowers until people buy again, which gives you MORE dividends. You literally can *almost* not lose as long as you have iron hands and not sell.

It is a joke of a crypto project and an outright, self-confessed Ponzi Scheme, but a really good social experiment, which was why I thought this was too golden a joke not to share.

There's no end to scams and ponzi schemes in the crypto world, with so many people being cheated of their money because they're just chasing crypto gains without having the slightest clue about stuff like how to prevent their coins from being stolen, how to spot and avoid shitcoins, and all the other essential stuff that it takes to navigate this crazy crypto universe.

The latest news is that another shitcoin ICO called Prodeum just exited the scene after scamming millions of investor dollars and left this message on their website:



Out of the coins I study, I would say about 10% of them end up to be scams / ponzis / shitcoins. And my personal investment mantra is, as long as I spot a major red flag which makes me feel uncomfortable about the project, I'm out.

But I'm not here to nag today. In fact, I'm here to tell you about a new coin which declares itself as an actual **ponzi scheme**.

Yes you read that right. But before you click the exit website button on the top left, let me explain why you should listen and continue reading.

If you want to get educated on how a ponzi crypto scheme looks like, this is literally the best

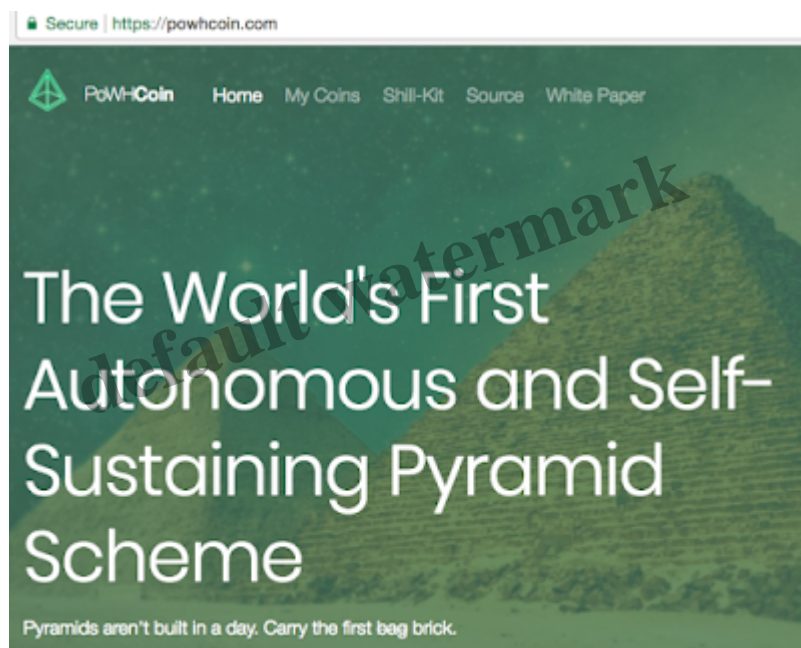
way to learn!

Whether you want to put money in or not is up to you (*I wouldn't recommend it though*), but at least you can be almost certain that you probably won't be losing your money unlike what happened with folks who lost their life savings in [Bitconnect](#) just to learn this same lesson.

Allow me to introduce: **Proof of Weak Hands coin (PoWHCoin).**

I've studied so many dubious coins, scams and ponzi schemes in the crypto space (*coughs* [Bitconnect](#) *cough* [Legit Coin](#)) that I'm blown away by how the developers of POWHCoin have nicely tied almost every element into this single project.

This is the smartest, most hilarious, and most ingenious coin I've ever seen. [You should take a look here](#) so you can get educated on how to recognise a crypto ponzi next time.



- Pyramid schemes? Check. They openly tell you they're one.
- Wanna invest? They tell you that you're throwing, not investing, money into this, and even call you "fools and madmen" before you click through to buy.
- Pays dividends? Hell yeah.
- Anonymous or invisible team? Check.
- Get rich quick scheme? Check.
- Pump and dump scheme? Check.
- Shilling? Check.
- Advisory team? Nope, but there's an inspiration team alright! (imo, CryptoNick and CryptoChick ought to be on that list too!)
- Shady whitepaper? Check.

Now for the legitimacy:

- Does it really pay dividends? Yes.

- Can you really cash out your dividends? Yes.
- Can you sell and cash out? Yes.
- Is the smart contract immutable (i.e. cannot be changed)? Seems like it.

Don't take my word for it though, [check out the smart contract and code for yourself here](#). **The owner cannot destroy the contract**, if that's what you're worried about it.

How It Works



Invest in Throw ethereum at the Blockchain

By sending Eth to the smart contract, you're trusting an uncaring mathematical gambling robot, fueled by the magic of chinese ethereum miners, to entrust you with (POWH) Tokens. We don't trust it and neither should you.



It Pumps and Dumps Itself

Every Time a Token is purchased, the contract increases the price of the next token by a small percentage (about 0.25%). Every time a Token is sold, the next Token is valued slightly less (about -0.25%).



Proof of Weak Hands Technology (POWH)

Instead of conventional staking methodology, When someone purchases a token, 10% Of the buy-in-price is split by the total number of coins and given as locked-in dividends to each previous investor based on how many coins they own. This is stored as price-locked POWH Tokens that nobody can touch but you!



No Exit Strategy , No Contract Crash

With our ingenious (POWH) technology, there is no way for FUD to take away your dividends, and even with weak-hands and whales trying to sell and FOMO in again they just generate more revenue for anyone who holds the coin! You're staking on other people doing dumb things with their money!



Cash Out - Forever

At any time, you can sell your PoWHCoins back to the Smart Contract for 90% of the current price , or withdraw just the dividends you've accumulated!



Forever

Seriously, No Premine, no Self Destruct, no Dev Exit Scheme. This contract will fluctuate in price and pay out dividends until the ethereum network dies.

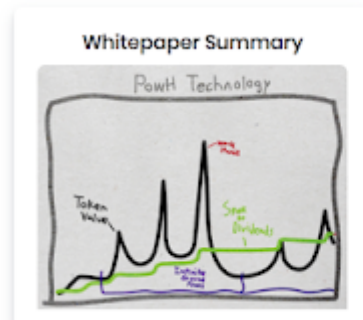
What are you waiting for?

Buy PoWHcoins

Please Note: This is not an investment or security, any and all tokens sent to the automatic mathematical gambling robot are purely for your own pleasure in participating in this absolutely insane social experiment.

Just look at this ingenious whitepaper summary!

Guide to Get Rich Quick



Step 1: ~~Invest~~ Throw your ETH at our robot

This game will be running for as long as ethereum is around. Send ether to the Smart Contract through this website to buy your coins now before it takes off, or after the price has tanked the first time, or the second time. There's going to be a LOT of ground floors; Pretty sure we are in for a ride

Q: How do we know you guys won't do the same thing?

A: Different contract, You should read it; the math is pretty cool and is designed to initially spike, then crash, then spike and crash and continually make dividends for anyone with **IRON HANDS** and let short term / weak handed players trick themselves

Q: This seems like a great investment opportunity! I need to get back all the money I lost in BitConnect, so can I put my entire pension fund/college fund/retirement savings/second home mortgage in?

A: No, this is a joke foremost and secondarily a toy that only has as much value as the fun you get out of it (and the fun you get out of other players).

Q: Is this a scam?

A: Yes, More accurately this is a game where you put cryptocurrency into trying to trick, fake out, or scam everyone else out of their cryptocurrency. Any value you deposit into this smart contract should purely be placed because you enjoy the concept and social experiment and wish to participate. For better or worse.

Secure | <https://powhcoin.com>

Our Advisory Inspiration Board



Carlos Matos
Bitconnect (Promoter)

Pioneer member of one of the most recently famous Ponzi schemes, which promised all investors up to a 0.99% Return on an investment per day. The site used new-investment money to pay off old investors and keep the scam looking legitimate

BIIIIIITTTTTTCONNNNEEEEEEEEEEEEEEEEE~



Roger Ver

Bitcoin Cash (Promoter / Initial Investor)

Bitcoin cash is a manipulated fork of Bitcoin designed around a mining exploit (that was patched out of the initial bitcoin blockchain) which allowed initial developers of BCC to premine billions of dollars in Bitcoin Cash

Doesn't like PoWCoins being called Ponzi coins.



John McAfee

Twitter PND

Due to his re-emergence in internet popularity, everything he buys into, and then sells on twitter. Pumps nearly 500% immediately

I'm sure glad he's a trustworthy person and not investing in the projects beforehand right?



Satoshi Nakamoto

Bitcoin (Inventor)

Literally Pre-mined at least 1,000,000 Coins of his own currency. Currently valued at tens of billions of dollars and tied up in a wallet that's still on the cryptographically non-secure old encryption algorithm; even if the madman is dead, as soon as someone breaks into his wallet we're all bankrupt.

Accidentally the world's economy in 2025 with no survivors.



Gregory Maxwell

Bitcoin (Core Developer)

Fee-market evangelist with extensive experience in turning legitimate coins into ponzis. Worked heavily on the development of the Lightning network, which is undoubtedly going to plaster everyone when it doesn't work and try to turn Bitcoin into a massive corporate cashgrab.

Sips champagne while coordinating the hack of your reddit account



Brad Garlinghouse

Ripple (CEO)

Somehow managed to trick the entire cryptocurrency world into letting ripple be one of the top 10 market-cap coins. Nobody's really sure how he did this with a non-cryptocurrency that ripple-labs can and will print at will and then give out for pennies on the dollar to massive banking institutions,

I bet the jews did this

Wanna cash out? Worried you can't cash out if the website goes down like the sites above?

- PLEASE SAVE THIS SOMEWHERE SAFE If for any reason this website goes down, you can open up a Transaction through Metamask, Send 0 Ether with a 150k Gas Limit to the Contract and send '0xb1e35242' under additional data for a personal exit scheme. This is the getMeOutOfHere() function on the contract and will cash you out of all tokens and dividends.

The contract address is: 0xA7CA36F7273D4d38fc2aEC5A454C497F86728a7A

Click on their Whitepaper link (top of toolbar) and watch how it redirects you to the SEC investor alert document on crypto LOL.

https://www.sec.gov/investor/alerts/ia_virtualcurrencies.pdf



SEC
OFFICE OF INVESTOR
EDUCATION AND ADVOCACY

INVESTOR ALERT

Ponzi Schemes Using Virtual Currencies

The SEC's Office of Investor Education and Advocacy is issuing this investor alert to warn individual investors about fraudulent investment schemes that may involve Bitcoin and other virtual currencies.

Look Out for Potential Scams Using Virtual Currency

Virtual currencies, such as Bitcoin, have recently become popular and are intended to serve as a type of money.

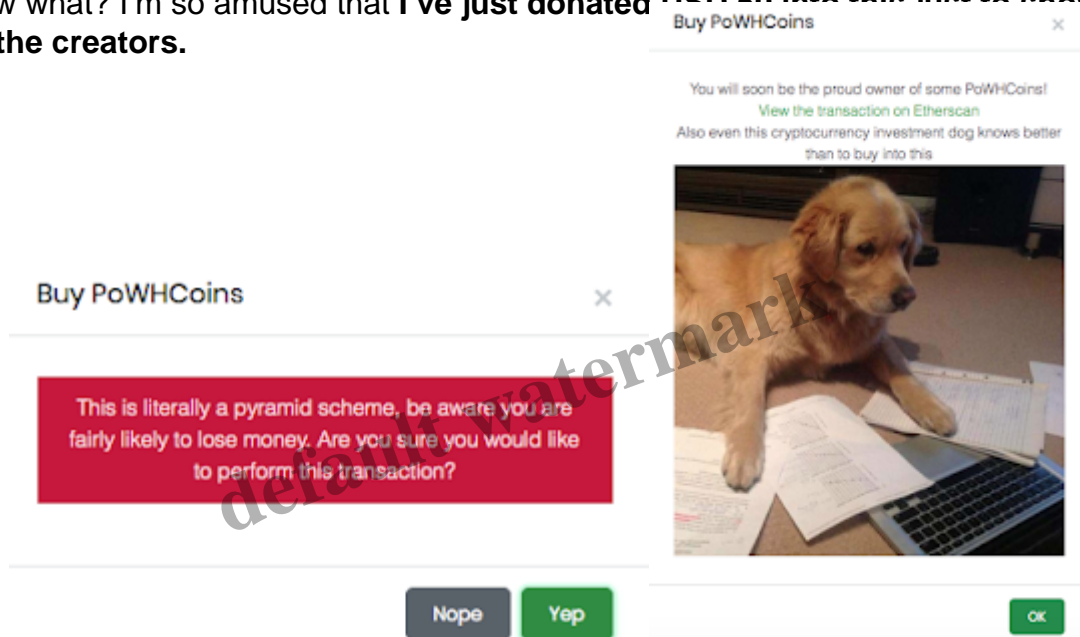
If you appreciate humour OR wish to get into a Ponzi Scheme OR wish to get educated on how a Ponzi Scheme looks like, you can play around with the website features here:

<https://powhcoin.com/>

This coin literally cannot crash! Check out the smart contract and you'll see why – the instructions are built into it!

I played around on this website for an entire hour and have no regrets. This is the funniest thing I've seen in crypto. Btw, did you spot all the little subtleties in the website? Each time you refresh the coin price page, it even gives you a good old quote like "Bag-holders like you are why we can have nice things" or "Buy high, panic, sell low, repeat."

Whoever built this deserves an award for their level of wit, sarcasm and humour all combined into one. And you know what? I'm so amused that **I've just donated USD 50 into this just to show my support for the creators.**



Update: Unfortunately, PoWH has just been hacked and most of the ethers locked in the smart contract have now been stolen. I'm more bummed over the fact that the developers didn't take the money and run, because I'd rather my money be given to them (I contributed it as a tip as I mentioned)

instead of the hackers. [Read the problematic smart contract for POWHShadow here](#), and the [one for POWHcoin here](#).

Someone actually ~~invested~~ threw 232 ethers into POWHShadow and his money is now locked up forever in the smart contract, with no way for him to withdraw. At time of writing, this is worth close to USD 250,000!!!!

Secure | <https://etherscan.io/address/0xe7612aab36474720df55f1e53bf88df2d8cd3>

TxHash	Block	Age	From		To	Value	[TxFee]
0xd4442bcd4f0955...	5005045	7 hrs 33 mins ago	0xe7612aab364747...	OUT	0x10b15218f99d45...	0.01 Ether	0.000861
0x99a3941d866f0e2...	5003596	13 hrs 27 mins ago	0xe7612aab364747...	OUT	0x9f4fd6c336388f2...	0.00001 Ether	0.00032595
0x8ba6e3591576d9...	5003462	14 hrs ago	0x6346d88b25e651...	IN	0xe7612aab364747...	0 Ether	0.00042544
0xc3719270a75481...	5003433	14 hrs 7 mins ago	0xe7612aab364747...	OUT	0x9f4fd6c336388f2...	0 Ether	0.00167828
0x5776991c85e4e7f...	5003406	14 hrs 12 mins ago	0xe7612aab364747...	OUT	0x9f4fd6c336388f2...	0 Ether	0.00167828
0xc4e3e11ad5de8d...	5003274	14 hrs 42 mins ago	0xe7612aab364747...	OUT	0x9f4fd6c336388f2...	232 Ether	0.0010601
0x5766d8650d3a8e...	5003216	14 hrs 52 mins ago	0xe7612aab364747...	OUT	0x9f4fd6c336388f2...	1 Ether	0.00167874
0xcfbf57321280ad...	5003207	14 hrs 54 mins ago	0xe7612aab364747...	OUT	0xa7ca36f7273d4d...	0 Ether	0.00046606
0x4c668640732953...	5003202	14 hrs 55 mins ago	0xe7612aab364747...	OUT	0xa7ca36f7273d4d...	0 Ether	0.00066288
0x5ed274a3c65a0f4...	4993150	2 days 8 hrs ago	0xe7612aab364747...	OUT	0xa7ca36f7273d4d...	64.93000000000001 Ether	0.00106146
0x72dbb2d49dccc5...	4993144	2 days 8 hrs ago	0xd551234ae421e3...	IN	0xe7612aab364747...	64.93156326 Ether	0.0021
0xd590a7d4ecbedc...	4993135	2 days 8 hrs ago	0xe7612aab364747...	OUT	0xa7ca36f7273d4d...	53.7 Ether	0.00106146
0x0aef9cab6b492ac...	4993124	2 days 8 hrs ago	0xd551234ae421e3...	IN	0xe7612aab364747...	53.68593964 Ether	0.0021
0xe0706bda7e47ae...	4992997	2 days 8 hrs ago	0xe7612aab364747...	OUT	0xa7ca36f7273d4d...	96.06 Ether	0.0010601
0xc788ac356a86a...	4993000	2 days 8 hrs ago	Binance	IN	0xe7612aab364747...	99.05796014 Ether	0.0021
0x3440f7a38f6346e...	4992999	2 days 8 hrs ago	0xe7612aab364747...	OUT	0xa7ca36f7273d4d...	0.97 Ether	0.000064005
0xa18d4787313b6a...	4992979	2 days 8 hrs ago	0x0661d8db095565...	IN	0xe7612aab364747...	0.99 Ether	0.0021

I went to stalk whoever that poor dude was, and it looks like he certainly ~~invested~~ threw his entire holdings into the problematic ponzi scheme (NOT POWHCOIN, BUT POWHSHADOW. GET THE DIFFERENCE RIGHT) even though he was warned by the creators before purchase.

I pity those who threw in their life savings – you were literally warned by the creator that this was a ponzi right from the start.

P.S. Can someone else recreate this as a social experiment? I'd really love to see it run till the end of time just to find out how sustainable this could be!

Category

1. Crypto
2. Investing