

Is Neko Inu a scam?

Description

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I recently entered the Play-to-Earn space in crypto, which I believe is going to be the next big thing. So when one of my best friends introduced me to **Neko Inu** as a crypto game where you can play and earn USDT, I was naturally curious and wanted to find out more.

Unfortunately, after digging around, Iâ??m not convinced. While the game certainly looks cute and sounds promising, thereâ??s a major red flag in the way the game earnings have been designed i.e. you earn more as you recruit new players into the game. The game developers could have created a perfectly non-Ponzi game, but instead chose to design the referral scheme as a ponzi. Why, and could Neko Inu thus be a scam?

Investing in cryptocurrency has now become mainstream, with even institutions now coming onboard. However, you should know that the scene is also rife with ponzi schemes and scams designed to trick naive investors, especially those who are greedy for gains and/or new to cryptocurrencies. In 2019, crypto ponzi schemes and fraud lured at least $4.3 billion from investors; in 2017 â?? 2018 scammers made off with $3 billion.

In particular, these appeal to inexperienced investors who have heard stories of folks getting rich from Bitcoin or other cryptocurrencies, and think that they can get rich quickly too. Fraudsters then go on to use that naÃ¯vetÃ© against you, which is why ponzi schemes are infamous for how they successfully attract investors who are eager to cash in on a hot market, and can easily be led astray by promises of large returns. OneCoin, BitConnect and PlusToken are perhaps the most prolific ponzi schemes that have since collapsed, and investors would do well to remember them.

Based on what I found about Neko Inu, Iâ??m wondering if it might just be another big ponzi in disguise? Could its developers or founding team pull an exit strategy and run away with all the money? Who knows?

What is the game about?

If youâ??ve never heard of Neko Inu, good for you!

â??Neko-Inu is a gaming platform for everyone to have fun while earning USDT. Neko-Inu allows users to create and care for digital pets in the virtual world.There are set objective for the users, but they are expected to feed and care for their pets when they grow hungry or ill.â?•

The above is taken from their PDF document which has been circulating on WhatsApp and Telegram.

If you thought that sounded like Neopets, youâ??re not the only one.

How do you play the game to earn money?

â??Complete up to 5 missions every 12 hours to increase your Pets value. The more actions you complete, the higher the value of your Pet. Value of Pet can only increase up to 5% every 12 hours.â?•

The game itself is pretty simple and doesnâ??t require much brainwork or strategy. All you need to do is to log in every 12 hours and press the 5 action buttons shown below (walk your pet, feed your pet, etc) to increase the value of your pet by 5%.

Note that the 5% will be split 3% to you, 1% to Neko Inu and 1% into the jackpot.

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The more expensive your pet, the more daily value youâ??ll be earning for each action. Thatâ??s because 5% on a USDT 1500 pet will yield you USDT 75 daily, in contrast to just USDT 2.5 on a USDT 50 pet.

Sounds pretty enticing so far, doesnâ??t it?

This is why some folks have put in more than USDT 3,000 to start playing the game.

Red flag #1: where does the 5% USDT come from?

But the question you need to ask yourself is this, how does Neko Inu come up with the value to conjure up that 5% USDT growth every 12 hours?

Where will they get the money to pay out to players?

The answer that I suspect? From new players, thatâ??s where.



You can earn via 2 ways:

1. Play to increase the value of your pet, which you can then **sell your pet to new players** (who just joined the game) in the marketplace

2. Earn a **daily trading commission** from your downlines

Thereâ??s a huge referral mechanism going on, which resembles how MLMs and ponzi schemes work.

For those of you in Singapore who have a short memory, this sounds very much like what Pareto SG was doing â?? promising a projected monthly gain of 5 â?? 10% and having a referral incentive scheme when you recruit others to invest as well. I followed the case quite closely so this game definitely feels reminiscent of it. If youâ??re wondering what happened in the end, the main people behind Pareto SG have since been arrested and charged in court. Investors / victims did NOT get back their money.

Red flag #2: you earn from your downlines

Essentially, **you earn a daily trading commission from the profit that your downline earns** on their pet. This is how Neko Inu describes it:

â??Player A refers Player B and Player B owns a 100USDT pet. After Player B completed his 5 tasks, his petâ??s value will increase to 105USDT, Played B profit 5USDT. Therefore Player A will be able to receive a 5% trading comission from the 5USDT.â?•

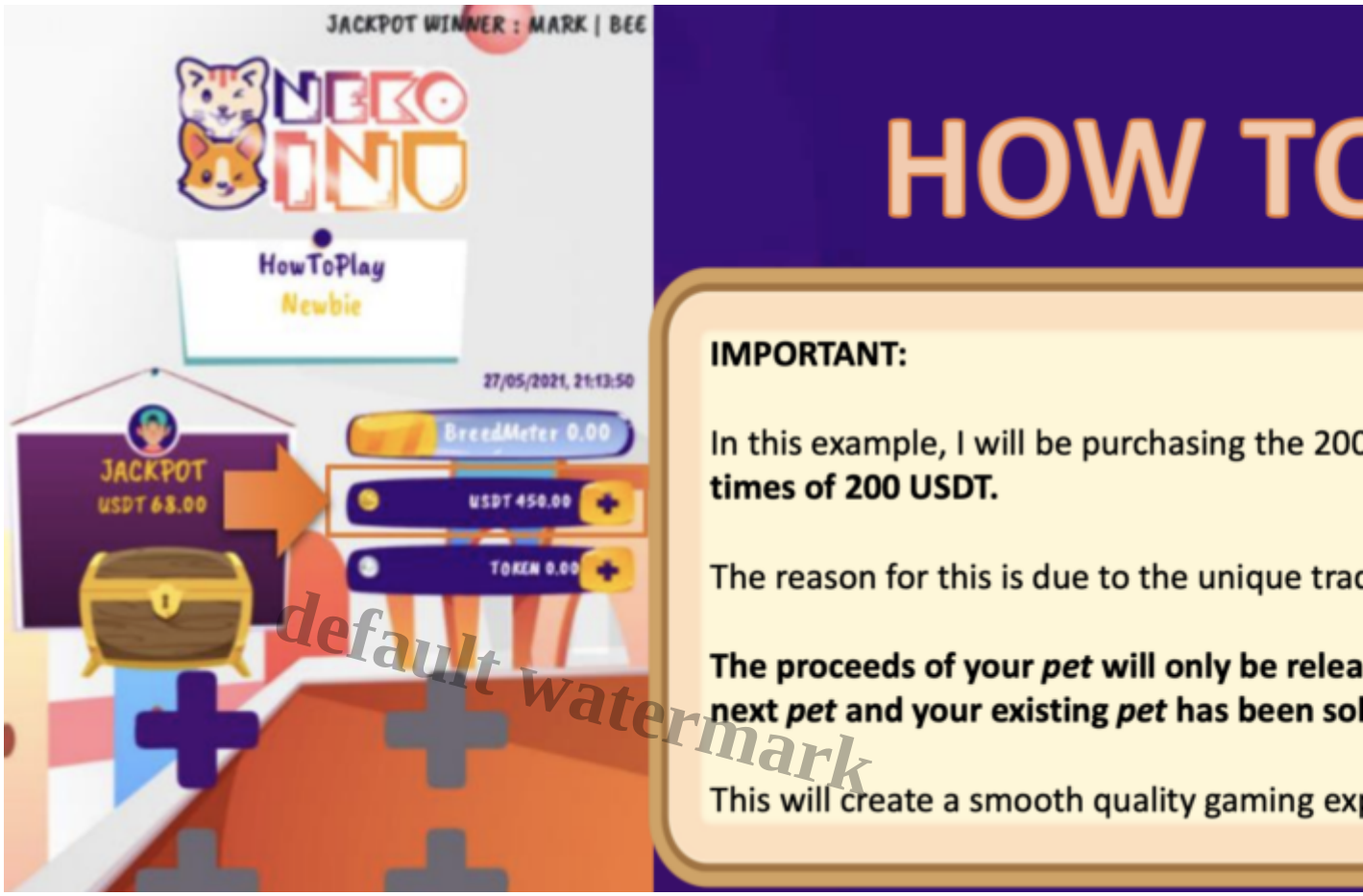
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If you were thinking of just playing with a small sum of money, hold up because thereâ??s more.

Red flag #3: you may need to put in more money to upgrade your pet if you want to earn your downline commission

*â??Criteria for Daily Trading Commission: Playerâ??s highest value pet MUST BE of the same tier or higher than his referred friendâ??s.â?•*In the event that the friend you referred to the game is greedy for more returns and buys a higher tier pet than yours, then youâ??ll need to spend more USDT to upgrade your pet to the same tier or forgo the daily trading commission altogether.

Imagine you start out with a USDT 100 pet, because all youâ??re willing to risk losing is a USDT 250 capital (based on the deck of 2.5x).



You then refer a friend who is richer / greedier and goes for a USD 1,000 pet.

Assuming he buys and sells his pet daily, you can get USDT 2.50 daily from his profits, which works out to be **USDT 75 a month for you in passive income**.

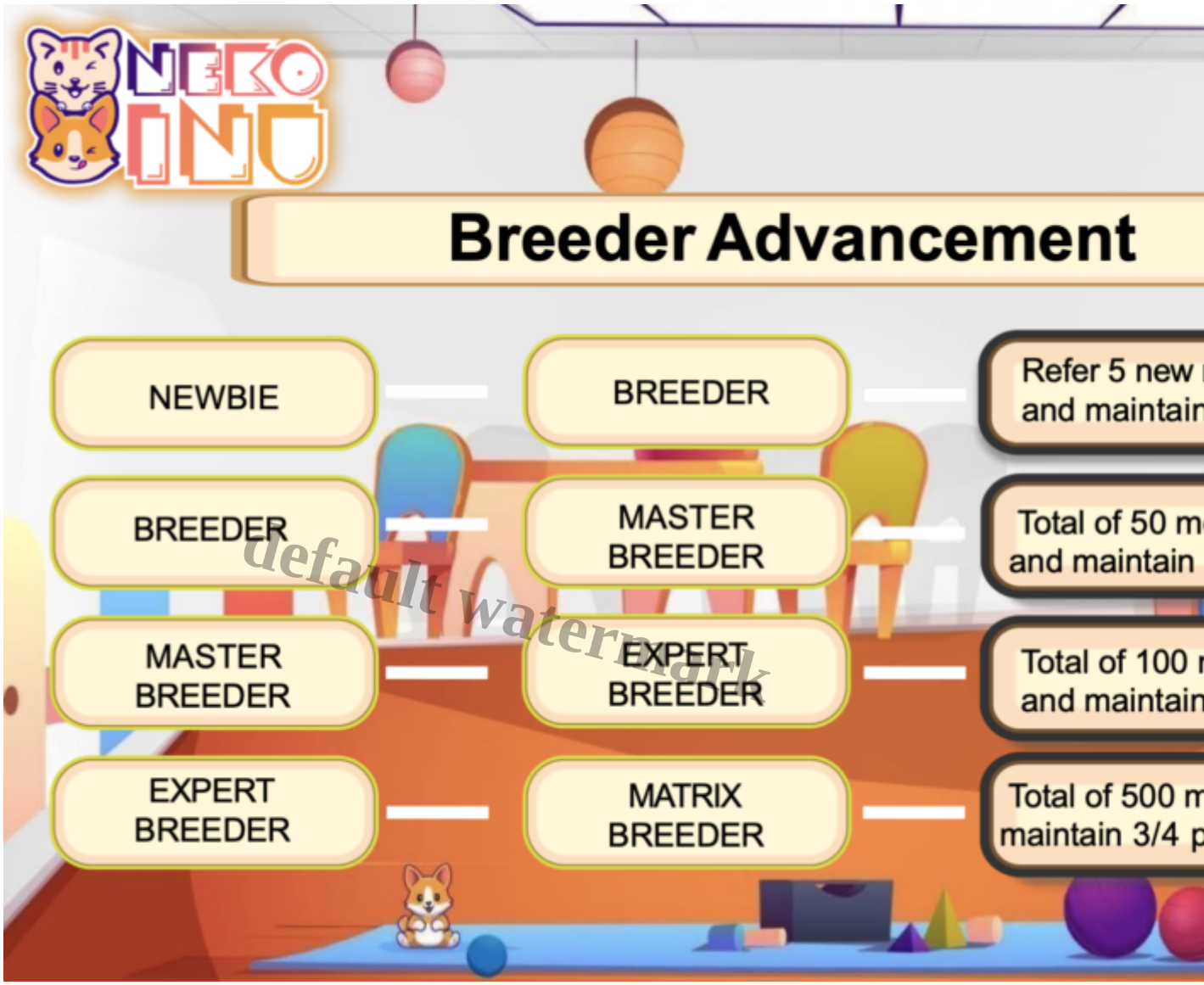
Unfortunately, you donâ??t qualify for this because your pet is of a lower tier than him. Due to this **Breedometer,** youâ??re forced to put more investment of the same tier as your friend, and upgrade to a USDT 1,000 pet as well in order to make that money.

This thus not only brings in (i) new money from new players, but also (ii) new money from existing players.

Whatâ??s more, the starting capital to play has increased in just the few months since Neko Inu debuted:

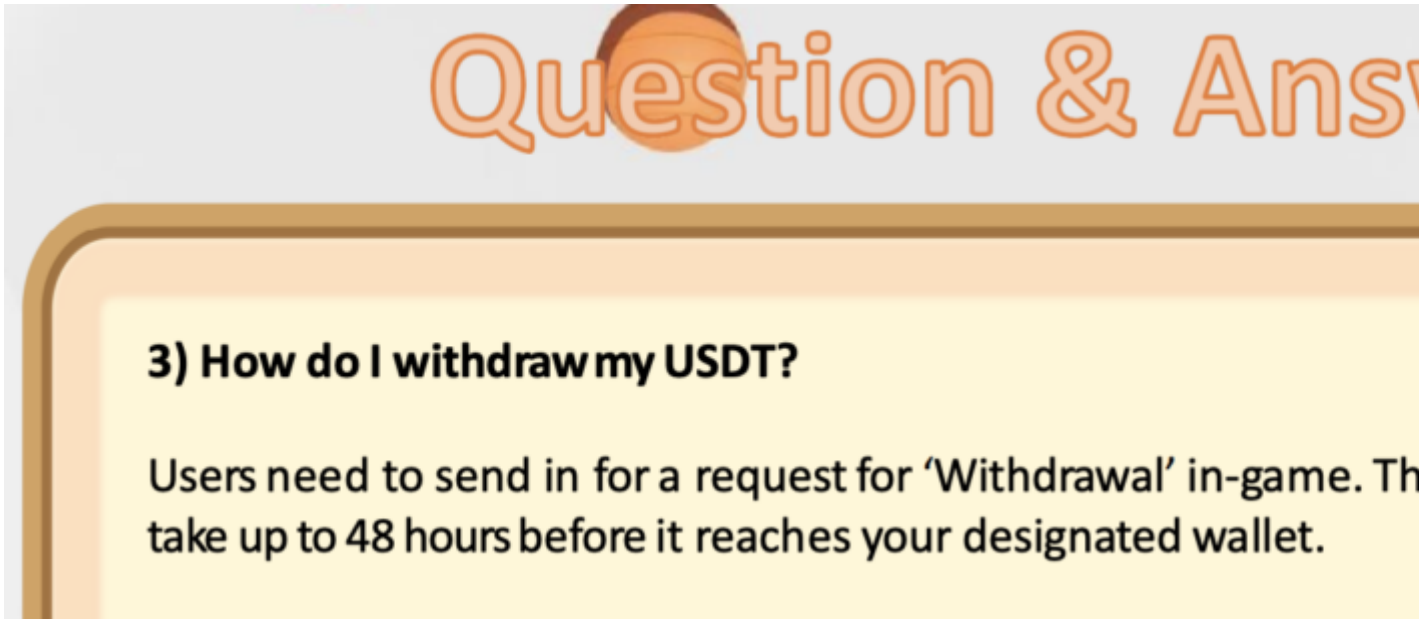


If you want more info on how the earnings work, hereâ??s some screenshots (taken from the Neko Inu Powerpoint deck):


NEKO INU
Breeder Advancement
NEWBIE
BREEDER
Refer 5 new
and maintain
BREEDER
MASTER BREEDER
Total of 50 m
and maintain
MASTER BREEDER
EXPERT BREEDER
Total of 100
and maintain
EXPERT BREEDER
MATRIX BREEDER
Total of 500 m
maintain 3/4 p
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NEKO INU
Newbie
Breeder
Master Breeder
Expert Breeder
Matrix Breeder
1st Tier
10%
10%
10%
10%
10%
2nd Tier
10%
10%
10%
10%
3rd Tier
5%
5%
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NEKO INU
NEWBIE
BREEDER
MASTERBREEDER
EXPERT BREEDER
MATRIXBREEDER
1st Tier
2nd Tier
3rd Tier
4th Tier
5th Tier
6th Tier
7th Tier
8th Tier
9th Tier
10th – 20th Tier
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Question & Answ
3) How do I withdraw my USDT?
Users need to send in for a request for 'Withdrawal' in-game. Th
take up to 48 hours before it reaches your designated wallet.

What if I donâ??t want to refer my friends?

If youâ??re thinking of taking part in this ponzi-like game but not drag your friends into a potential mess, wait a minute, because thereâ??s more.

To unlock more pet slots, you will need to recruit more downlines in your community i.e. to unlock the next 2 pet slots, you will need to recruit 5 direct people to join under your referral link. To unlock the 4th and 5th dog slot, you will need to have at least 100 downlines (both direct and indirect).

I saw a MDRT financial advisor online whoâ??s encouraging people to join (and with an initial investment of SGD 5k too!) and he has 7 dogsâ?¦so you can just imagine how many people he has recruited under him till date. Heâ??s been posting photos like these to incentivize people to join under him:

2) In the main dashboard, click on the "USDT" Balance to find your Wallet Address. This is where you will deposit your USDT into. It takes a few minutes to reflect.
Recommended to deposit **USDT $3650**. 2 x $1800 dog + $50 buffer. Approx $5k SGD.
(Min. to get started $100 USDT, Max. $3650 USDT.)



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[redacted]

3) Once your balance is reflected, click on "Market" to purchase your dog. There are many pets available but I would recommend just going for the USDT 1800 dog because it pays the most.
(Eg. A $1800 dog can be sold for a $54 net profit every 12 hours after profit sharing with the Neko-Inu community etc. A day you will make $108 USDT net.)



(Who wouldnâ??t be tempted by greed with this kind of money?)

More pets = each time you log in, you can be more productive and execute the 5 actions for multiple pets = grow the 5% daily value on multiple pets to scale.

Neko Inu has â??disallowedâ?• multiple accounts from the same IP address, so you canâ??t just create multiple accounts of your own to get around that loophole.

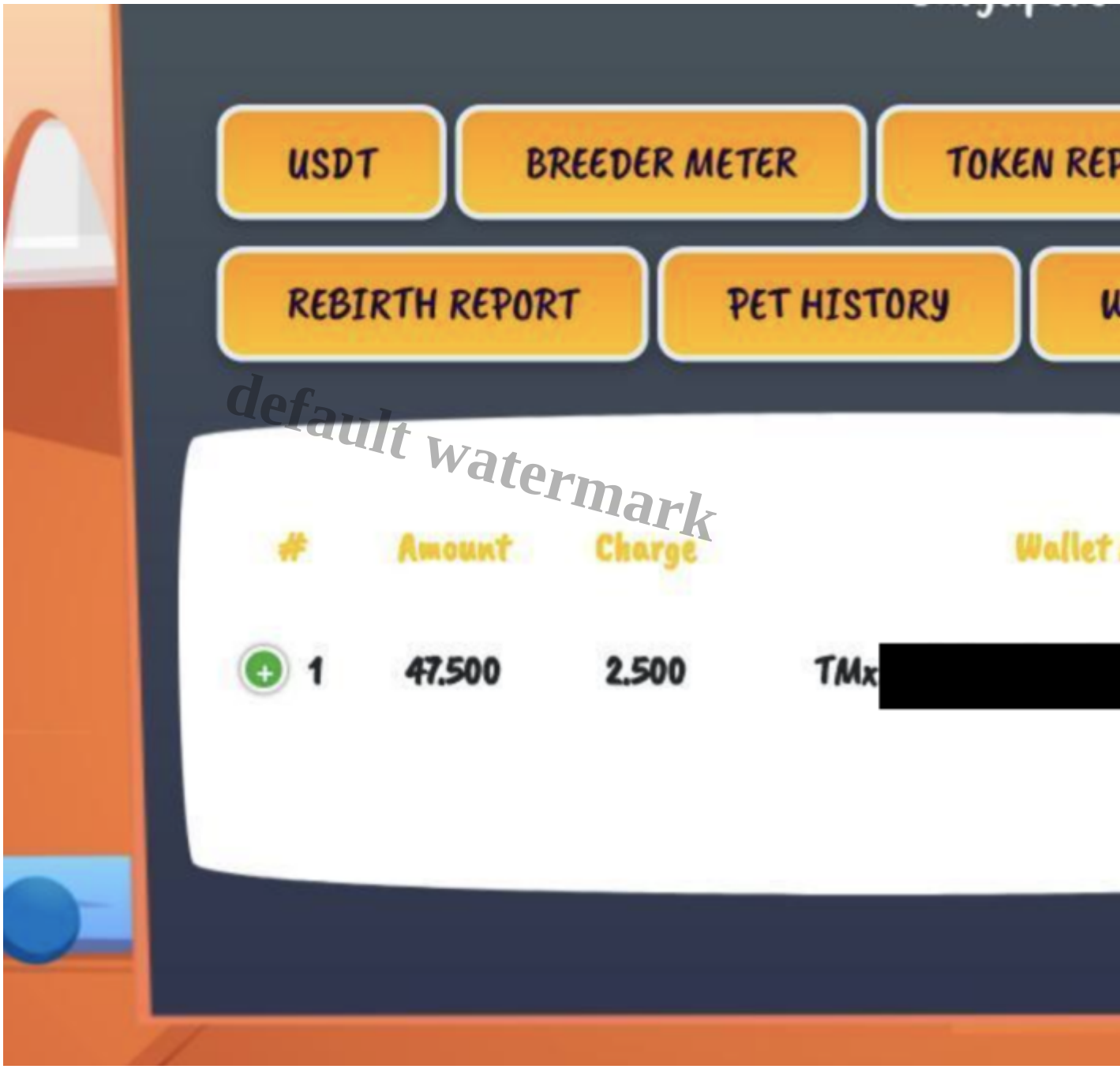
So therein lies the incentive to bring your friends into the ecosystem, where youâ??re rewarded by earning their money, and your uplines (players who came before you) also get a cut + can sell their pets to these new players.

Red flag #4: funding your account is almost instant, but withdrawals take 2 days

If the earning scheme above didnâ??t already ring your warning bells, hereâ??s another red flag:

- Deposit USDT: 10 â?? 15 minutes
- Withdraw USDT: 48 hours (with a 5% fee)
- Open account: almost instant
- To close account: 90 days after account creation

48 hours is more than enough time to do a rugpull and run away with all the playersâ?? monies in the game, if you asked me.



5% fee for each withdrawal

And isnâ??t it fishy that if you want to withdraw your base capital, there is a 3 month lock-in period?

Red flag #5: no one knows whoâ??s behind the game

â??Neko & Inu Corporation is a global joint venture between a Hong Kong consortium and casino in Cambodia with the support of an international digital platform, Lemon Game.â?•

In the crypto world, when one is able to land big names in real-world partnerships, you can bet that name will get shouted out in every press release and marketing announcement.

But the odd thing about Neko Inu is that it merely *describes* the joint venture founders, but never names them. And while the team page appears legitimate enough, try to Google them and see if any results come out for either their LinkedIn page, or their company website, etc.

I wasnâ??t able to match any of these so-called founding team members to real-life people.

My search results came up empty.

(If you managed to find anything on them, let me know.)

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OUR TEAM



CHRIS WALLACE

CEO AND CO-FOUNDER, NEKO-INU GLOBAL

- CHIEF OPERATING OFFICER, CAPITAL MANAGEMENT FINTECH CO.
- GENERAL MANAGER, RECO WEALTH MANAGEMENT
- CERTIFIED IN C#, C++, PHP
- EXPERT IN BLOCKCHAIN TECHNOLOGY, ETHERIUM NETWORK, TRON NETWORK, BINANCE SMART CHAIN TECHNOLOGY, SOLANA BLOCKCHAIN TECHNOLOGY & NFT TECHNOLOGY
- MASTER'S DEGREE IN BUSINESS MANAGEMENT, UNIVERSITY OF PENNSYLVANIA
- BACHELOR DEGREE IN BUSINESS IT, UNIVERSITY OF PENNSYLVANIA

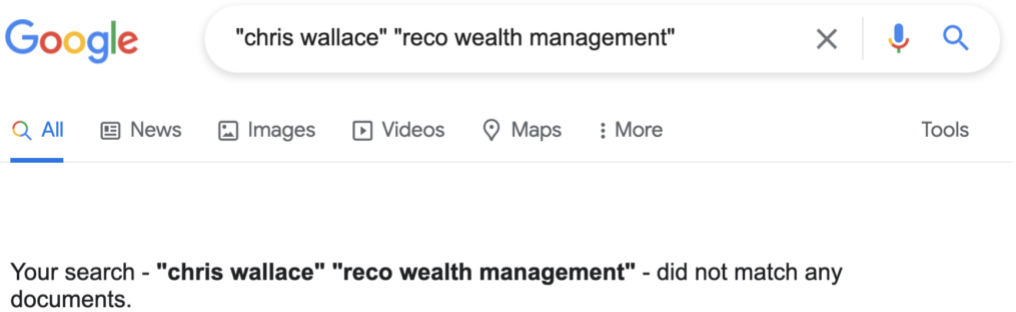


CHEN HONG

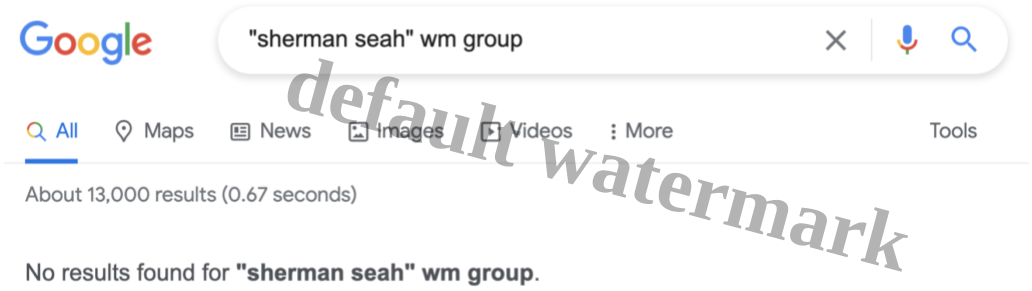
CTO, NEKO-INU GLOBAL

- CO-FOUNDER OF COINALOGY
- MASTERS OF SCIENCE IN APPLIED COMPUTING
- CERTIFIED BLOCKCHAIN EXPERT
- PRIOR TO WORKING IN BLOCKCHAIN RELATED ENDEAVOURS, WEALTH OF EXPERIENCE IN HELPING CORPORATIONS TO OBTAIN IPO STATUS
- BLOCKCHAIN ADVISOR TO LEMON GAME CORPORATION
- +10 YEARS OF EXPERIENCE IN VARIOUS TECHNOLOGY ENTITIES

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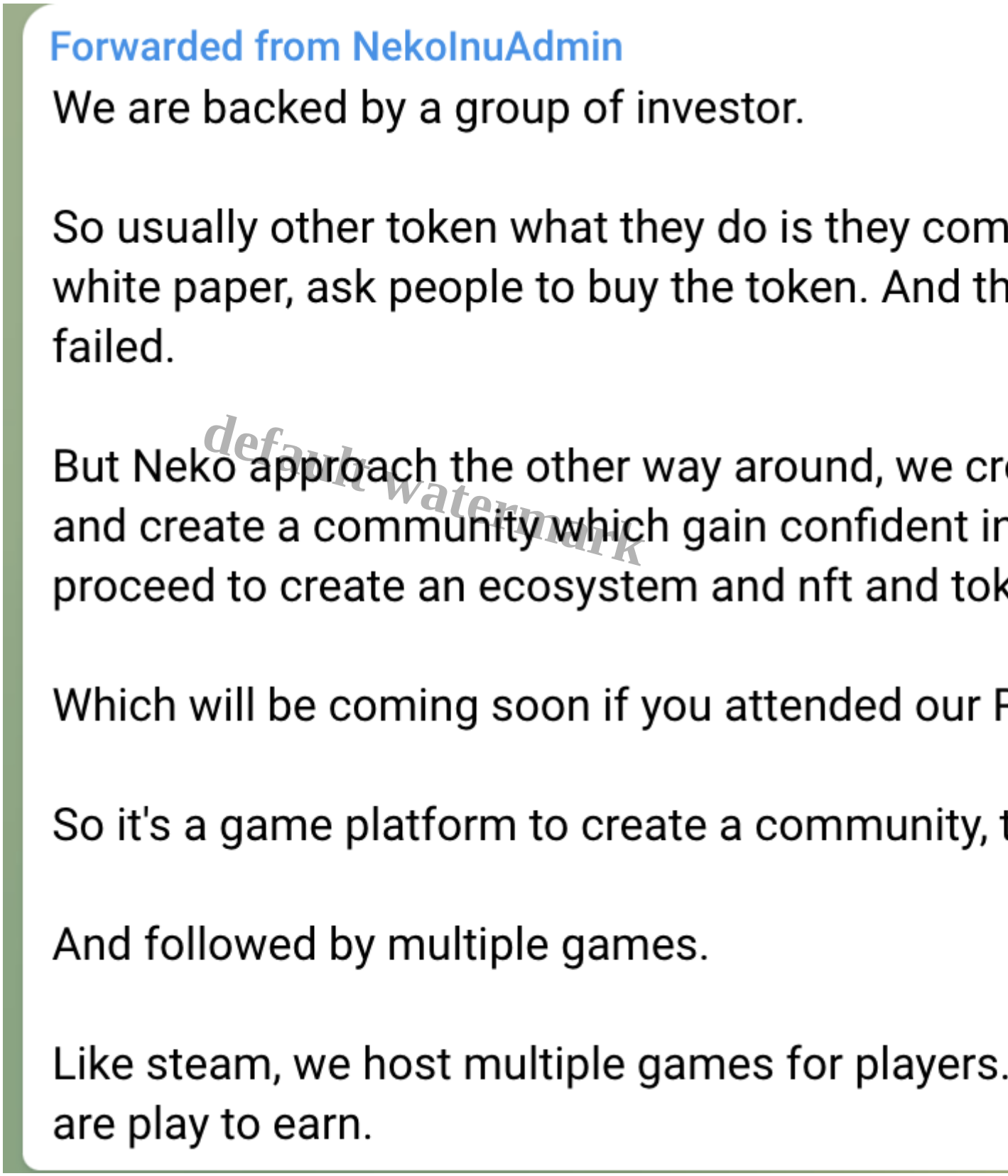
Red flag #6: thereâ??s no official whitepaper or Github

Most legitimate crypto projects will have an official whitepaper and an open Github where you can go in to check the smart contracts for yourself as you do you due diligence.

Unfortunately, none exists for Neko Inu.

Thereâ??s a roadmap, but no whitepaper. No mention of the technology theyâ??re using to develop and run the game, nor how the tokenomics work out, etc.

Aside from me, some folks have also expressed their concerns over these, and hereâ??s what the Neko Inu admin team replied on Telegram. Iâ??ll leave it to you to judge whether you find it plausible. Notes in red parenthesis are that of my own:



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â??We are backed by a group of investor (who? why donâ??t dare to disclose?). So usually other token what they do is they come up with a white paper, ask people to buy the token. And the project goes

failed. But Neko approach the other way around, we create a platform and create a community which gain confident in us. (but why use a ponzi referral scheme to recruit new members into your community, instead of other methods?) And we proceed to create an ecosystem and NFT and token later. Which will be coming soon if you attended our Rebirth talk. So itâ??s a game platform to create a community, token and NFT And followed by multiple games. Like steam, we host multiple games for players. And all games are play to earn.â?•

I donâ??t know about you, but after spending some time digging into this game I decided I didnâ??t want to be involved, and told my friend of my findings as well.

This was my advice to her:

- you can definitely earn now, but the rugpull can happen anytime
- Iâ??ve calculated how it works if a player wants to earn maximum profits: buy a more expensive pet, earn 5% daily, and after several weeks youâ??ll be in profit. Keep playing every day thereafter to make profits.
- So if the rugpull doesnâ??t happen for another 2 months, you can make some pure profit and actually make money from the game.
- But if a rugpull happens before you hit your breakeven point then you may end up with losses
- So do your own due diligence and decide for yourself if you want to play

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I donâ??t blame my friend for introducing this to me, because if the game and its earnings turns out to be true, then itâ??ll be awesome. And for what itâ??s worth, if Neko Inu really turns out to be legitimate with no rugpull, and the game + their NFTs make a hell lot of money for their community later on, then Iâ??ll probably regret that I passed on this one *(orâ?¦I could always try to mint the NFT during the public sale and flip it thereafter for a quick trade).*

But the thing is, Iâ??m not convinced theyâ??re legitimate, at least for now.

So since there are better games in the Play-to-Earn crypto space instead, such as Axie Infinity thatâ??s changing peopleâ??s lives at the same time *(which Iâ??ve verified this on the ground in Manila as well),*

Iâ??ll pass on Neko Inu.

Stay safe in the crypto world.

P.S. Ever since I posted about my skepticism regarding this game on Instagram, many players have since come forward claiming that theyâ??ve done their due diligence too as they tried to convince me it isnâ??t a scam or a ponzi scheme. As always, I remain open-minded to the possibility that I might be wrong â?? who knows, this might be completely legitimate and sustainable â?? but as of now, my opinion remains that this is likely a scam and may collapse anytime. So if youâ??re one of those playing it, and recruiting your friends or loved ones into the game so you can earn more profitsâ?¦I hope youâ??re sleeping well at night with this way of earning money (because I canâ??t, if it were me).

P.P.S. Iâ??m not saying Neko Inu is a ponzi. Iâ??m saying it resembles one, and asking if it is? Am open to being proven wrong. If you have evidence to prove otherwise, you can leave them in the

comments below.

With love,
Budget Babe

Category

1. Crypto
2. Investing

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