

ностью объективно складывающихся в обществе отношений, которые являются отражением интересов, разрешение которых заставляет их носителей объединяться в политические партии.

Соответственно, многопартийность есть организационное проявление политического плюрализма, а идеологическое многообразие предтеча для их формирования на которой и основываются иные правовые категории.

Вне сомнения, идеологическое и политическое многообразие занимает важнейшее место в конституционно-правовом поле Российской Федерации.

Анализ составных элементов политического многообразия и многопартийности позволяет нам сделать вывод, что многопартийная система является одним из условий функционирования и взаимодействия политической системы в гражданском обществе. Она создает условия для конкуренции в борьбе за власть, что совпадает с целью любой политической партии. Естественно то, что такая борьба возможна в случае декларирования политического многообразия или политического плюрализма. Этот принцип предполагает легальное столкновение интересов и создание условий, при которых будет возможна борьба за власть, учитывая интересы меньшинства, что, несомненно, является важной задачей любого демократического государства. Формирование системы поливариантности в Российской Федерации помогает избежать формирование единственного курса ее развития, а значит и создает возможность для того, чтобы избежать политической стагнации.

Позволим себе утверждать, что плюрализм идеологической и политической жизни стал реальностью современного российского общества.

Политическая дифференциация России требует в краткосрочной перспективе широкого применения накопленного теоретического потенциала для осмысления происходящих в обществе процессов, вовлечения в демократические преобразования различных социальных сил.

Полагаем важным подчеркнуть, что несомненная актуальность обозначенной темы, по-прежнему, будет оставаться предметом дальнейших исследований и дискуссий, как представителей науки, так и практических деятелей. Несомненно одно — переход от идеологического монизма к плюрализму является отличительной чертой современного периода развития общественной жизни России.

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#### COMPARATIVE ANALYSIS OF THE CRIMINAL LIABILITY FOR ORGANIZING FINANCIAL PYRAMIDS IN SOME FOREIGN COUNTRIES AND IN RUSSIA

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The number of criminal offences increases every year. In this connection, we believe it is necessary to define what criminal offence is. Thus, we have found the following definition of the notion: "Criminal offence is an act punishable by law" [3]. And at this point it is interesting to know whether each criminal offence is followed by criminal liability.

Nowadays, people all over the world try to earn a decent living. But the ways they do it are quite different. We have decided to pay close attention to those people who get their money illegally. In particular to those people who organize financial pyramids.

We believe that the topic under consideration is new and very interesting. From our point of view, many people do not even know what a financial pyramid is and what types of liabilities people take for organizing it.

In our research, we are going to pay close attention to financial pyramids and their types, the history of financial pyramids and some famous people who have committed the crime under consideration. Moreover, we shall consider the penalties the schemers get in some countries.

Financial pyramid is a structure, in which revenue is extracted through the formation of cash receipts from attracting an increasing number of investors. As its name indicates, the pyramid scheme is structured like a pyramid. It typically starts with one person — the initial recruiter — who is on top at the apex of the pyramid. This person recruits a second who is required to "invest" a certain amount, which is paid to the initial recruiter. In order to make his or her money back, the new recruit must recruit more

people under him or her, each of whom will also have to invest. If the recruit gets 10 more people to invest, he or she will make a profit with just a small investment [2].

Further, the new people become recruiters and each one is in turn required to enlist an additional 10 people, resulting in a total of 100 more people. Each of those new recruits is also obligated to pay their investment to the person who recruited him or her. Recruiters get a profit of all of the money received, minus their initial investment paid to the person who recruited them. The process continues until the base of the pyramid is no longer strong enough to support the upper structure, and there are no more recruits [2].

Thus, it becomes evident that income is distributed primarily among the participants of the pyramid, which came into it the first. The main feature of the financial pyramid is that investors are promised a high return on their deposits, but as it happens in reality they never get all their invested money back.

It is important to note that a financial pyramid is a specific and we consider it an illegal way to generate income. Financial pyramids are usually registered as commercial institutions and attract funding for a certain project. If the real profitability of the project is below the promised investor's profits or non-existent, then part of the money of new investors is directed to the payment of income. The natural result of such a situation is bankruptcy project and recent losses to investors. Practice shows that after the collapse of the pyramid investors are able to collect approximately 10-15% of the collected sum at that time. Because the funds are not to purchase liquid assets and are used for payments to previous participants, advertising and revenue. The longer it operates, the smaller the percentage of possible return when it eliminates. The principle difference in this financial pyramid from a real business project is a source of income. If the amount of income consistently exceeds the size of the surplus value that provides the business, this project is a pyramid. Some people would consider a financial pyramid as one of the easiest ways to earn money, but we should bear in mind that there would always be a problem with that.

The problem is that the scheme cannot go on forever, because there are a finite number of people who can join the scheme. People are deceived into believing that by giving money, they will make more money; however, no wealth has been created, no product has been sold, no investment has been made, and no service has been provided. The fraud lies in the fact that it is impossible for the cycle to sustain itself, so people will lose their money somewhere down the line. This kind of fraud is illegal in the U.S. and most countries throughout the world. It is estimated that 90% of people who get involved in a pyramid scheme will lose their money.

We have found out that financial pyramids can be of different types. Thus, we should pay close attention to a multi-level pyramid scheme and Ponzi scheme.

A multi-level pyramid scheme is based on the fact that every newcomer party makes an entrance fee. This payment is divided among the party inviting the beginner and those who invited another investor (earlier participants in the pyramid). After assessment the newcomer is obliged to invite a few more people, their contributions will be used in his favor. This continues from level to level.

This scheme pyramid scheme provides an income from 300% to 500% or more, depending on the rules that established by a specific financial pyramid. The reason for the collapsing this type of pyramid is that the number of participants should grow exponentially. As practice shows, such a system cannot function stably and evolve to an infinite growth of participants of the pyramid. The total population of one country is not enough to ensure the first 6-10 levels. As a result, investors who have not been able to bring new participants are left with nothing. According to statistics, their number is about 80-90%. That is the reason why financial pyramids cannot function for long and when the organizers realize that the business is going to "sink", they prefer to take all the funds and disappear.

The other type of a pyramid is a so called Ponzi scheme pyramid. A Ponzi scheme is one of the most popular types of financial pyramids. This type of a pyramid is named in honor of one famous resourceful Italian fraud, Charles Ponzi, who created the first pyramid scheme in the United States. There was no doubt that the Ponzi scheme can help in earning big money in a short period of time.

During our research, we have found some interesting facts about Charles Ponzi. It is stated that he was sentenced to three years in a Quebec prison after he was caught forging a bad check. Rather than tell his mother in Italy that he was in prison, he wrote to her in a letter that he was working in a Canadian prison. When he was released from jail, Ponzi got involved in yet another criminal venture, smuggling Italian immigrants across the border into the United States. That was the second time when he got in jail in Atlanta where he spent two years. After his release in 1919 Charles Ponzi got a business idea. Thus, the Ponzi scheme pyramid was organized.

Charles Ponzi ran such a plot from 1919—1920. The Ponzi scheme is a fraudulent investment plan. However, it is not necessarily a pyramid, which is hierarchical. In a Ponzi scheme, there is one person who takes people's money as an "investment" and does not necessarily tell them how their returns will be generated. As such, the people's return on investment could be generated by anything. It could come from money taken from new investors, which means new investors essentially pay off the old investors, or even from money made by gambling in Las Vegas.

Not satisfied with running the profitable scheme on his own, Ponzi began to seek investors to turn even higher profits. He promised investors immediate outrageous returns of 50 percent in 45 days, or 100 percent in 90 days. Ponzi paid these investors using money from other investors, rather than with actual profit. Ponzi's manipulation made him very rich and he bought a mansion in Lexington, Massachusetts. He reportedly made \$250,000 a day.

In other words, Ponzi schemes are based on fraudulent investment management services — investors contribute money to the "portfolio manager" who promises them a high return, and then when those investors want their money they are paid back out with the incoming funds contributed by later investors. The person organizing this type of fraud is in charge of controlling the entire operation; they merely transfer funds from one client to another and forgo any real investment activities.

This scheme operates in most modern financial pyramids. Action plans are very carefully planned by the creator of the pyramid.

From 1919 to the present days, in many countries, different types of financial pyramids have been created. However, in countries with weaker regulatory systems a pyramid leads to even greater consequences. This is confirmed by the events in Albania in 1996, when mass protests brought down the government. Moreover, the financial pyramid in Jamaica led to losses reached 12 percent of GDP, and raised a number of other Caribbean countries. The collapse of the pyramid schemes in Colombia, led to the loss of an estimated \$ 1 billion. United States, followed by mass arrest and violent protests in 13 cities, and the government was forced to declare a state of emergency. Pyramid Scheme in Lesotho led to the loss of money of about 100,000 investors, many of whom belonged to the poor and highly vulnerable classes. Even in the Russian Federation there were many cases related to financial fraud.

Having considered the problem of financial pyramids in foreign countries we should pay close attention to one of the most sensational fraud that was committed by Mr. Mavrodi (MMM) in 1990s. It is a known fact now that Mr. Mavrodi used a pyramid scheme in his "company". It meant that the initial schemer had to recruit other investors who would continue to recruit other investors and those investors would then continue to recruit additional investors and so on. Sometimes there would be an incentive that was presented as an investment opportunity, such as the right to sell a particular product. Each investor paid the person who had recruited them for the chance to sell that item. The recipient had to share the proceeds with those at the higher levels of the pyramid structure.

Our thorough analysis shows that pyramid schemes and Ponzi schemes share many similar characteristics in which unsuspecting individuals are fooled by unscrupulous investors who promise extraordinary returns. However, in contrast to a regular investment, these types of schemes can offer consistent "profit" only as long as the number of investors continues to increase. Ponzi and pyramid schemes are self-sustaining as long as cash outflows can be matched by monetary inflows. The basic difference arises in the type of products that schemers offer their clients and the structure of the two plots.

In many legally developed countries, the creation and management of financial pyramids are liable to criminal responsibility. For example, in the United States a creator of the pyramid can get 5 years of imprisonment and a fine for up to one million dollars. In Germany, it is more than 10 years, depending on the size of the financial pyramid. As for the Russian Federation, a person used to bear just administrative responsibility for creating a pyramid. That meant that they had to pay fine and could be free.

However, the President of Russia Vladimir Putin signed a law under which in criminal code there was introduced the liability provisions for the organization of financial pyramids. The amendments were adopted by the state Duma on 15 March, 2016 and approved by the Federation Council on March 23, 2016.

The creation of financial pyramids as well as their advertising are in violation of the law. Thus, penalties for individuals are set in the amount of from 70 to 700 USD or officials — from 280 to 1400 USD and for legal entities — from 7 000 to 14 000 USD. The administrative liability occurs if funds up to 20 000 USD are raised, for sums of over 20 000 USD a criminal liability is triggered. Individuals or legal entities raising big funds will be fined up to 14 000 USD or in the amount of salary of a convicted party for the period up to two years, or compulsory works or up to 4 years' imprisonment; for extremely large funds raised stricter fines are imposed or prison terms up to 5 years as an alternative to the financial fines [5].

It is stated that pyramid schemes are illegal in many countries or regions including Albania, Australia, Austria, Belgium, Brazil, Canada, China, Colombia, Denmark, the Dominican Republic, Estonia, France, Germany, Hong Kong, Hungary, Iceland, Iran, Ireland, Italy, Japan, Malaysia, Maldives, Mexico, Nepal, the Netherlands, New Zealand, Norway, the Philippines, Poland, Portugal, Romania, the Russian Federation, Serbia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, the United Kingdom, and the United States [1].

Thus, we have compared criminal liability for organizing financial pyramids in some foreign countries and in Russia and our analysis shows that the type of penalties is the same across jurisdictions, but there are some differences for fine that should be paid by the schemer.

We believe that fines should be applied as well as imprisonment. The amount of a fine for organizing financial pyramids should be set depending on the extent of the damage caused and the amount of people involved. It is important to mention that criminal liability for organizing financial pyramids in Russia should be considered seriously as well as in foreign countries.

We believe that this topic is actual and our research is just the first step for further study and development that will draw everyone's attention to the problem of organizing financial pyramids and methods of its prevention.

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