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Blacklisted, Mavrodi Is Defiant

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Mavrodi

Convicted swindler Sergei Mavrodi is not worried after the Federal Anti-Monopoly Service determined his new financial pyramid scheme is a fraud.

"It's all nonsense," Mavrodi wrote in an e-mail. "The definition of this idiotic and stupid show is simple: Institutions are covering themselves. Everybody is trying to protect their own behind."

The anti-monopoly service blacklisted Mavrodi's new project on Friday after a study by mathematicians revealed that the promised monthly profits of 20 to 30 percent were not possible, service deputy head Andrei Kashevarov said.

He said the study found that the venture, MMM-2011, would make money for no more than 15 percent of investors and there was no clear refund system.

The anti-monopoly service plans to write a letter to the Interior Ministry requesting that it

ensure the scheme does not materialize.

“This type of project involving many people is socially dangerous. It is easier to prevent it than to pay back all the money that was lost,” Kashevarov said.

About 15 percent of Russians are ready to invest money in MMM-2011, Valery Fedorov, head of the National Research Center of Public Opinion, told NTV television on Friday.

The mathematical study was conducted by the anti-monopoly service as a last resort because MMM-2011, which stands for “We Can Do a Lot” in Russian, has managed to retain its legal status in the two weeks since Mavrodi first announced it, despite warnings from many government officials.

Mavrodi, who spent more than four years behind bars after his original pyramid scheme, MMM, defrauded millions of people in the 1990s, maintains that he is not breaking any laws.

"The law will protect me. How can you jail an innocent person?" Mavrodi said in the e-mail.

Meanwhile, some politicians wonder whether the announcement about the opening of MMM-2011 is a publicity stunt aimed at promoting "Pyramid," a film based on an autobiographical novel by Mavrodi that will premiere in April. Mavrodi sold the rights to his book to the Leopolis production company, which is bankrolling “Pyramid," but the money was seized by court marshals. He and Leopolis have refused to say how much he was paid.

"I think Mavrodi is a brilliant manipulator. He has fooled us all," financial ombudsman Pavel Medvedev said at a news conference Jan. 14. "They say a film will be released in April. We are giving him a free advertisement."

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