

PRESS RELEASE

OJK AND INVESTMENT ALERT TASKFORCE UNCOVER TWO ILLEGAL INVESTMENT CASES AND A LOAN REPAYMENT FRAUD

Jakarta, November 1, 2016 — The Financial Services Authority (OJK) and the Task Force for Handling Alleged Unlawful Acts involving Public Funds Collection and Investment Management (the Investment Alert Task Force) stated that the activities carried out by PT Cakrabuana Sukses Indonesia (PT CSI) and Dream for Freedom were unlawful or illegal.

The Investment Alert Task Force also stated that United Nations Swissindo World Trust International Orbit (UN Swissindo) conducted illegal activities by promising loan repayments, since the company had received no license from any financial authorities.

Investment Alert Task Force Chairman Tongam Luban Tobing made the statement at a press conference in Jakarta that he attended together with the Task Force members, which came from the National Police, the Attorney General's Office, the Investment Coordinating Board (BKPM), the Ministry of Cooperatives and Small-Medium Enterprises, the Ministry of Communication and Information Technology, and the Ministry of Trade, on Tuesday, November 1, 2016.

PT CSI Case

The Investment Alert Task Force has established that PT CSI's activities fall into illegal investment activities. Therefore, relevant agencies will take immediate actions as follows:

1. The Ministry of Cooperatives and Small-Medium Enterprises of the Republic of Indonesia will conduct supervision and inspection of BMT Madani Nusantara and BMT Sejahtera Mandiri, Sharia Savings and Loan and Financing Cooperatives, because despite the fact that both cooperatives' branch offices do not have the relevant licenses, PT CSI has used them to collect public funds by offering the public, among others, investment opportunities in gold and savings accounts (that would give a monthly return of around 5 percent).
2. The National Police's Criminal Investigation Department (*Bareskrim*) soon will proceed with the CSI case by bringing it to investigation level and prioritizing two aspects, namely seizure of the company's assets and clarification over the parties responsible for the company's activities, for the sake of the public interest.

The OJK and the Investment Alert Task Force have reported PT CSI to *Bareskrim* over alleged criminal acts of unlicensed public funds collection, which was committed based on Sharia principle, in accordance with article 59 of Law No. 21 of 2008 on Sharia Banking. Results of *Bareskrim*'s investigation are expected to lead to money laundering charges against PT CSI, pursuant to article 5 of Law No. 8 of 2010 on Prevention of Money Laundering.

3. The Ministry of Trade of the Republic of Indonesia will soon carry out supervision and inspection of PT CSI over alleged misuse of its business permit as the

company is suspected of running its business under the forbidden pyramid scheme, as regulated by articles 9 and 105 of Law No. 7 of 2014 on Trade.

The Indonesian Ulema Council (MUI) of Cirebon District also has declared CSI products as illegal since the company carries out activities that do not comply with Sharia principles.

PT Dream for Freedom Case

The Investment Alert Task Force has asked the West Jakarta One-Stop Integrated Services (PTSP) and the Cooperatives and Trade Agency of the Special Capital Region of Jakarta Province to revoke the business permits granted to PT Locket Mandiri and PT Promo Indonesia Mandiri that offer Dream for Freedom's investment products, as both companies have conducted activities that do not comply with the permits issued.

As a follow-up to this case, *Bareskrim* has arrested one of the Dream for Freedom executives and it will proceed with this case to bring charges against other suspects.

The company has operated in many areas and the majority of its clients came from Bengkulu, Palembang and Jakarta.

It offers "Dream For Freedom" or "D4F" or "Nesia" investments as follows:

1. Participants pay for registration fees.
2. Then they receive facilities to put free online advertisements on a website.
3. They can choose from one of the investment packages—silver, gold or platinum—and invest a certain amount of funds in it.
4. They will receive benefits in form of passive bonuses that amount to 1 percent of their investment value for 15 days plus active bonuses that amount to 10 percent of their investment value if they can recruit new members.
5. At certain stages, participants will receive regular income between IDR 5 million – 500 million per month as a bonus for managers at ruby/sapphire/crown/diamond level.

Swissindo Case

UN Swissindo offers loan repayments by promising people that it will repay their loans/free them from their debts. It targets those who have bad debts in banks, financing companies or in other financial services companies. It issues guarantee letters/debt relief statements on behalf of the President and the State of the Republic of Indonesia as well as on behalf of international institutions from other countries. The debtors are provoked to not pay their loans to their creditors.

The company offers its services as follows:

1. It makes promises on behalf of Indonesia and/or certain state institutions on the grounds of people's sovereignty under Pancasila (the national ideology) and the 1945 Constitution,
2. Seeks victims who are trapped under bad debts and promises to settle their debts, putting up government bonds as collateral for their loans,
3. Asks them to pay registration fees in order to join certain groups/legal entities, and
4. Asks the victims to find other bad debtors to join them.

The Investment Alert Task Force has stated that UN Swissindo's activities do not comply with loan or financing repayment mechanisms commonly implemented in banks and financing institutions.

1. On September 13, 2016, the Investment Alert Task Force submitted an Information Report to *Bareskrim* about UN Swissindo's activities. The Task Force also sent copies of the report to West Java Regional Police and South Sulawesi Regional Police.
2. On September 13, 2016, the Investment Alert Task Force sent a letter to UN Swissindo, asking it to stop its activities.

Samarinda City Subregional Police, East Kalimantan, on October 29, 2016, arrested Local Swissindo Chairman, East Kalimantan Regional Coordinator, upon receiving complaints from a number of people whom the suspect had deceived by giving certificates to them.

Following these three cases, the OJK and the Investment Alert Task Force urge the public to take the precautions below before investing their money:

1. Make sure the company that offers the investments has a business license from the authorized agency, which is relevant to its line of business.
2. Make sure the party that offers the investment products has a permit to do so or is registered as the marketing partner.
3. The public, especially debtors and financial services industry players, should be alert and careful when receiving offers and/or solicitations from anyone who promises debt repayments.

Anyone who knows about these activities can report them to OJK Consumer Care by phone 1 500 655 or email at konsumen@ojk.go.id and waspadainvestasi@ojk.go.id.

For more information:

Tongam L. Tobing, Director of Policies and Investigation Support/Chairman of the Investment Alert Task Force

Tel: +62 21 2960 0000, Email: tongam.tobing@ojk.go.id Website: www.ojk.go.id.