**FREELANCING – LEGITIMATE ALTERNATIVE TO PONZI SCHEMES**

As she narrated her ordeal, I sat legs crossed, watching the creases on her forehead, which were probably over accentuated as a result of the pain she was going through. Her agony was not physical, but her physiognomy betrayed her present state of mind.

Mrs. Charity, as she was simply called, had been a victim of a highly technical online Ponzi scheme which went by the name "Otto". She had hinged her hopes of achieving financial freedom on the so-called German-based insurance company, which claimed to be making inroads into the Nigerian market after it had captured some European markets. It might be harsh to blame her for swallowing ‘hook, line and sinker’, the promises of the company's Virtual Admin, which called itself "Angelina".

The juicy promise of a getaway from penury renewed and rekindled Mrs. Charity’s hope of overcoming the harsh and unfriendly economic realities, further occasioned by the removal of fuel subsidy, and catering for her four children since she is a widow. That dream was flushed down the drain along with her life savings on 7th October, 2023, when the Otto App stopped paying members their income.

“It is a hard pill for me to swallow as a widow”, Mrs. Charity said. She could only take solace in the fact that she was not the only one who was swindled, as thousands of people, especially Nigerians, embraced this scheme and even christened it the “Messiah to financial freedom”. A few weeks before the elaborate scheme collapsed, some of its members, who had benefited from the Ponzi scheme, organised a giveaway for the needy, which was aired by some television stations in Nigeria.

The fact that media practitioners and media houses propagated and advertised this scheme exposed their myopic knowledge of financial technology (Fintech), e-commerce, how to identify Ponzi schemes, and how to recognise legitimate and well-paying online businesses. It, therefore, becomes imperative to write this piece.

Con artists have always used certain strategies to lure their prey, and no matter how old or new the method is, it still plays on the victims’ gullibility and greed. From the time of American showman, P.T. Barnum, to Yellow Kid Weil, to Count Lustig and present-day con artists, the deception or gimmicks have always been to shroud one’s intention in smokescreens and present the prey with tempting bait, too glamorous to resist.

The term "Ponzi Scheme" was coined in 1920 after a swindler named Charles Ponzi. Mr. Ponzi had, in 1919, hatched a plan that focused on the US Postal Service. At that time, the US Postal Service developed international reply coupons that allowed a sender to pre-purchase postage and include it in their correspondence. The receiver would take the coupon to a local post office and exchange it for priority airmail postage stamps needed to send a reply. Using his company, the Securities Exchange Company, Mr. Ponzi promised returns of 50% in 45 days or 100% in 90 days. Investors became attracted due to his success in the postage business, but instead of investing the money, Mr. Ponzi just redistributed it and told the investors they made a profit. The scheme lasted until August of 1920, when The Boston Post began investigating the Securities Exchange Company.

**Identifying Ponzi Schemes**

Times have changed, and we now live in a digital age where such schemers cannot be easily identified and arrested like in the case of Charles Ponzi. Technology has changed the way things are done. A con artist or Ponzi schemer could sit behind their computers and design very convincing websites and lure unsuspecting individuals to invest in their online business. These get-rich-quick schemes can hardly be traced to anyone, and when they eventually close shops with investors’ hard-earned money, they disappear into thin air, leaving no trace of their true identities.

The ability to identify a Ponzi scheme is critical to protecting oneself and one's money. Some of these features are explained below;

***(a) The Get-rich-quick Tactics:*** Ponzi schemes entice investors with the prospect of wealth and a life of luxury. They promise high and unusual returns on investment. Fraudsters usually claim unrealistic earnings that are far higher than market averages.

***(b) Consistent positive results:*** Any investment that continues to generate regular, positive returns despite the overall market conditions and economic state of affairs is likely a Ponzi scheme. Ponzi schemes usually promise constant and attractive returns, regardless of the state of the market, which defies the principles of actual investment performance.

***(c) Secretive or complex strategies lacking in transparency:*** Information about these companies, especially online, is usually not transparent, incomprehensible or incomplete. Promoters should be able to explain their investment in layman's terms and provide supporting documentation.

***(d) High-pressure, fast sales tactics:*** No reputable investment would force investors into making immediate decisions about an investment, or tell them to act immediately. Ponzis usually employ high-pressure tactics to convince potential investors to invest as quickly as possible.

***(e) Inconsistent or nonexistent documentation:*** Ponzi Schemes usually have little to no documentation, such as the prospectus, offering circular or memorandum, agreements, and regulatory filings, which are all part of the extensive paperwork that goes along with genuine investment opportunities.

***(f) Unauthorised or unregistered investments:*** This is also a red flag, and investors should be suspicious of unregistered investments or investments that are supposedly exempt from registration. Ponzi schemes typically involve investments that have not been registered with authorised regulators. Registration is important because it provides investors with access to key information about a company's management, products, services, and finances.

***(g) Quest for more investors:*** Since the survival of any Ponzi scheme depends on its ability to continually attract new investors, it entices initial investors with bonuses if they can bring more investors. They call this a "referral bonus". The schemers also ask investors to build a team, like a pyramid. The reason for this is that without an ongoing stream of new investors, the promoter would be unable to pay the previous investors, leading to a collapse of the system.

***(h) Pressure to reinvest:*** Without regular income or if too many investors withdraw their funds at the same time, the scheme would come crashing down like dominoes. So, to remain in business, the promoters of the scam would promise investors higher cash out if they reinvest their money or warn that they might lose their money.

**Freelancing: The Way Forward**

In April, 2025, Africa Pulse (a biannual publication containing an analysis of the near-term macroeconomic outlook for Africa) in its report, declared that more Nigerians would become poor over the next five years, citing Nigeria’s structural economic weaknesses, dependence on oil revenues and national weakness as key hindrances to meaningful poverty reduction.

With this harrowing projection, it becomes pertinent for one to chart a new financial course if one wants to stay afloat and not be swept away by the economic flood threatening the country. The 8am to 5pm jobs, which are hard to come by in Nigeria, are no longer lucrative; besides, they are monotonous and time-consuming. Rather than investing your money and your time in a fraudulent scheme that would pay you initially and swindle you in the long run, why not render your skills and services in return for wages?

Several foreign online companies offer remote jobs – connecting skilled individuals to clients that pay in local and foreign currencies after completing tasks or ‘gigs’. One such online company is the United States-based Freelance Business and Contract Hire Company known as AdvanceQT. advanceqt.com is a Fairfax, Virginia, USA-based freelance work platform for general contracting and hire services, remote gigs, and freelance work offers. The AdvanceQT website is user-friendly and easy to navigate, even to someone who is a novice in the world of internet and telecommunication. All that is required by the platform is for the prospective freelancer to sign up for free and fill in their skills and area of specialisation, in other words, what they are good at and can offer as services to clients who would search the platform for such prerequisite skills.

Anyone with any form of skills – informal, formal, technical, and the like – can register with this platform for online remote job offers. As a broadcast journalist, writer, data analyst and editor, I could get a ‘gig’ or ‘job’ where the client asks me to re-edit an article they had written. This client must have searched me out on advanceqt.com, sent a Calendar Appointment to me, and I would respond to this. The client would send me a message asking how long it would take me to finish the project. I could say I would finish the job in ‘one week’. We would negotiate a fee, and on completion of the job, I would get paid by the client. All these are done through the advanceqt.com website, which serves as a go-between. The AdvanceQT team gets 30 percent of the payment, while I go home with 70 percent. A fair deal if you ask me.

According to the AdvanceQT website, the client engages a service provider by “Starting a Project Contract Hire” on the front page or “Freelance Project” top page icon found on all pages of the website. Client may also reach a service provider through the platform calendar appointment, chat messaging, and video meetings to negotiate a freelance service for an agreed work term. Upon the arrangement, an invoice is issued by the freelance service provider to the client for the agreed service. The work will begin only when the client pays the platform to fund the project, and this will show as a change from “pending” invoice status to “success” notice on the invoice pages of the client and service provider accounts. The work is performed to the client's satisfaction, and this is guaranteed by the AdvanceQT Platform. Payments are only released to the service provider after a verified service is completed and successfully delivered to the client. A three-day review is granted to the client and service provider to complain, make corrections, review queries, fix glitches, and amend or adjust any unresolved project issues. Once the three days are completed and there is/are no unresolved issues, the completed project will be closed. Then the service provider is paid for the completed and closed service project.

The AdvanceQT team usually sends emails to newly registered freelancers on their platform requesting an online training and orientation session. Such meetings are meant to educate the freelancers on their roles and how to properly use and utilise the advanceqt.com platform. These sessions are interesting, interactive and very informative. Freelancers are introduced to the founders of the online platform and matched with ‘gigs’ that suit their qualifications.

Computer knowledge and skills in website navigation are the most fundamental qualifications for landing ‘gigs’ on the AdvanceQT website. The reason is that practically everything is done using a computer system – desktop or laptop, or an Android phone with internet connectivity. The next is the services a freelancer is offering and their skill sets. On advanceqt.com, like most online freelance services, a freelancer can offer almost any sort of skills – electrical works, housing development, data entry, video editing, technical writing, graphic design, and even menial skills.

One of the advantages of online freelancing is that the clients (multinational companies or private liability firms) seeking such services are spread across the globe, and globalisation has made the world a small village. The clients could be in Nigeria, South Africa, the United States, the United Kingdom, Canada, etc.

Another benefit is that ‘gigs’ are done at the freelancer’s convenience, and without someone breathing down their necks. The working hours are also flexible, as the freelancer decides when to work on assigned projects, albeit bearing in mind to complete the tasks on the agreed dates, which would be stipulated in the contract.

It is also advantageous as it allows the freelancer to work on several projects at the same time. As a freelancer, one can also keep one's day job or business while offering services to clients all over the world.

As a freelancer on AdvanceQT, one of the ideas the recruiting team have sold to me is that I must make myself marketable and visible to the ever-dynamic and always-evolving world of e-commerce.

To conclude, on paper, investors believe their investments are being used by promoters for trading purposes, but the truth is that most Ponzi schemes do not make any investments on behalf of their investors at all – it is the case of robbing Peter to pay Paul. However, online freelancing platforms such as AdvanceQT are the best ways of making extra cash while satisfying clients and building one’s resume or curriculum vitae.