



PRESS RELEASE

“Blessing Loom” Weaves Tangled Web on Social Media

BALTIMORE, MD (December 22, 2016) – Maryland Attorney General Brian E. Frosh today warned Marylanders to beware of online pyramid schemes that may appear this holiday season on social media sites, including Facebook and Twitter.

One such alleged scheme that has become popular this holiday season is called the “Blessing Loom.” Participants are told they can earn up to \$800 simply by paying a fee, which may be \$100 or less, and recruiting others to do the same. There are no products or services offered in exchange for payment, only the opportunity to earn money from others who join the scheme.

“When people pay a fee for the opportunity to earn money simply by recruiting others into a program, those people are likely involved in an illegal pyramid scheme,” said Attorney General Frosh. “Consumers shouldn’t be fooled if recruiters swear the scheme works, or must be legal, because they received some money.”

Pyramid schemes traditionally have been promoted through chain letters and among friends, neighbors, and even church groups. These days, pyramid scheme promoters may use online payment services like PayPal and social media sites like Facebook and Twitter to recruit new members, most of whom are unaware of the illegal nature of the program. Because there is no source of funds other than funds from new investors, and because the number of new investors eventually dries up, pyramid schemes are destined to fail.

Pyramid schemes are illegal not only in Maryland but in every state. Anyone promoting or advertising a pyramid scheme in Maryland is committing a criminal offense that may result in a fine of up to \$10,000 or a prison sentence of up to one year. If you see a posting to join a scheme like this, do not participate, and warn your friends on social media not to be fooled.

For more information and tips on how to protect yourself from scams like these, check out the Office of Attorney General’s [Consumer Guide for Marylanders](#).