

Abstract

Pyramid Scheme is a means of one of most sophisticated white collar crime. The crime method is to disguise the scheme as business opportunities. Before 2014, Indonesia does not have ruling regarding the scheme. Many Pyramid Scheme crimes were ruled using banking crimes ruling, fraud ruling, embezzlement, or any other administrative ruling regarding permits and/ or licensing. Pyramid Scheme defined as crime in Indonesia, formally by UU Perdagangan 2014. But even after, Pyramid Scheme activities not always prosecuted using the ruling. Police as well as prosecutors were reluctant to use the Pyramid Scheme ruling. It created legal uncertainty. Another uncertainty is when the victims of Pyramid Scheme are trying to get their money back. Indonesia has UU Perlindungan Saksi dan Korban that giving a method to victim impact recovery, using Restitution. The problem is law officers are also reluctant to use this method. Cases of Pyramid Scheme discussed in the paper show that there are inconsistencies, on the ruling used for prosecution, and on the method of victim impact recovery. This paper is following how Pyramid Scheme activities in Indonesia are piggybacking on Direct Selling-Multilevel Marketing ruling. The piggybacking proves making the eradication of Pyramid Scheme in Indonesia not getting easier. This paper also observes the impact on the victims after their interactions with the scheme. This research is normative research, primarily using secondary data and legal sources as analytic knife. The approach used here is statute, comparative, and qualitative. The paper found out that between law agencies, there have not one understanding regarding Pyramid Scheme: on how it supposed to be prosecuted, on how the victims supposed to be listed, on how the money from the scheme should be handled, and on the mechanism used to recover the victims' loss. Understanding these problems, the paper suggests that the problems resulted from the lack of detailed ruling of Pyramid Scheme, and the lack of willingness of law agencies on the issue. The paper then concludes the needs of more detailed ruling on Pyramid Scheme, specially on the permits and licensing of Direct Selling/ Multilevel Marketing activities, to prevent the activities being used as a front for Pyramid Scheme in the future; also, law agencies (Polri, Kejaksaan, LPSK, MA) need to build mutual cooperation in order to tackling Pyramid Scheme activities better.

Keywords: *Pyramid Scheme, Victims' Impact*