



Moneylife Foundation

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17th May 2011

To,
The Hon Prime Minister of India,
Dr Manmohan Singh,
New Delhi.

Dear Sir,

We request your urgent intervention.

We at Moneylife Foundation and *Moneylife* magazine have been writing to bring to your attention the activities of the online survey company *Speakasiaonline.com*, which is actually a multi-level marketing scheme. We have talked to the Reserve Bank of India (RBI) to find a way to stop this, but we are not clear as to which agency's jurisdiction would apply in this case.

Despite the ambiguities prevailing over its business model and source of funding, the company claims to have business capital of Rs5,000 crore and a membership of more than 19 lakh. It claims to add 37,000 members daily. It has claimed to have conducted surveys for companies like ICICI Bank, Bharti Airtel, Nestle and Bata, but all have denied their association with *Speak Asia*. At a press conference held in Mumbai on 16th May, *Speak Asia* formally apologised for using the names of these companies. But it also refused to name a single client. Worse, it obfuscated its business model. While it collects money (like a deposit-taking company) for 'surveys', it told the media that this was for subscription to an e-magazine. At the same time, it claimed that it was not subject to regulation as a publication either.

A person has to pay Rs11,000 to join *Speak Asia* as a 'panelist', and is paid Rs500 for a survey. If the panelist can recruit new members, he is paid a commission of Rs1,000. The payments are made in US dollars, and regardless of forex rates, *Speak Asia* pays Rs50 for \$1. There is no guarantee about who will pay the members back if the company collapses.

The nature of these surveys and the methodology is ambiguous, it remains a mystery as to how the company is paying such amounts to all its members. Recently, *Speak Asia* organised an extravagant fest in Goa, where more than 10,000 members participated.

The parent company, which was formerly known as Haren Technology Pte Ltd, owned by Ms Harinder Kaur, is registered in Singapore. The Accounting and Corporate Regulatory Authority (ACRA) of Singapore has given it a non-compliant rating on the ACRA website for not submitting details of its AGM (annual general meeting), annual returns report and other documents.

According to our information, *Speak India Network Marketing P Ltd* and *Speak India Online* are collecting money from survey panelists and have accounts in ICICI Bank, ING, State Bank of India and a dozen others. Each bank has remitted Rs50 crore to Rs180 crore. About Rs1,000 crore has already been transferred abroad. The money remitted to these accounts is pooled into a company called *Tulsiateck*, which is also registered in Mumbai.

Our sources tell us that *Tulsiateck* remits funds to buy "survey software" from a company called *Haren Ventures Pte Ltd*. *Haren Ventures* is the distributor of e-zine "Surveys Today". *Speak Asia* collects Rs11,000 for the subscription of the e-zine, which many of the panelists are not even aware about or have even seen it till date. Although *Speak Asia* claims to be in existence since 2006, according to web information portal *networksolutions.com* it was created only on 21st January 2010. The company doesn't have a registered address in India. Despite its claims of being the biggest online survey company in Asia, *Speak Asia's* reach is limited only to India and Bangladesh. Instead of using an in-house survey mechanism/software like other credible survey companies, they used a free online site called *www.surveymonkey.com* and recently bought *Novi Survey*.

Speak Asia's dubious nature has also been discussed by other media publications like *The Economic Times*, *Star News* and *Aaj Tak*, and many substantiated articles and posts are available on the Internet. Many people have expressed their concerns about Speak Asia. Please find attached herewith excerpts from mails and comments.

Multi-level marketing schemes and companies are banned in most countries, but not in India. In the past we, have seen many such schemes surface, and many people have been duped and lost their savings. The nature of the schemes is such that they pay extraordinary returns of over 100% to 500% in the initial days when the chain or pyramid is being constructed. This builds their credibility and creates a sense of legitimacy. When the business collapses, new as well as initial investors—who usually re-invest in the scheme—also lose huge chunks of money.

In the past we have seen several other schemes such as GoldQuest, City Limousine, Stockguru India, the Orissa deposit scheme and other chain-marketing companies walk away with thousands of crores from ordinary savers. Currently, similar schemes like RamSurvey and FLC Online are carrying on with their dubious activities. In a country with low literacy and abysmal financial literacy, the government and its regulatory and investigation agencies must act quickly to protect the hard-earned money of savers. In fact, they must initiate *suo moto* action. Instead, we find that regulatory agencies drag their feet even when NGOs such as Moneylife Foundation bring potential scams to their attention. Moneylife Foundation has been repeatedly writing to the RBI to act against MLM companies, because they cannot possibly transfer profits out of India without RBI permission.

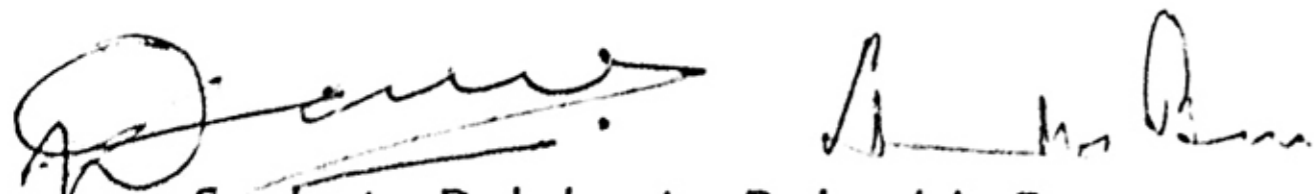
We at Moneylife Foundation believe that chain-marketing companies must be banned outright. However, since many of them find loopholes to avoid being defined as chain/pyramid marketing schemes, it is best that all of them are subject to statutory registration, scrutiny and regulation by the Securities and Exchange Board of India (SEBI) or the RBI. Over the past 15 months of our existence, Moneylife Foundation has conducted 65 financial literacy seminars. Each of our core literacy modules warns investors against investing in multi-level marketing schemes which offer extraordinary returns linked to the enrolment of more members.

We are writing to urge you to ban all multi-level marketing companies in India, as is being done in many developed countries. Alternately, we request you to urgently mandate that all multi-level marketing/pyramid marketing/chain-marketing companies be subject to supervision of the RBI or SEBI to stop them ensnaring people. A lot of money has already been lost, we need to stop the loot of savers at the earliest.

We look forward to your quick response and decisive action. Please find attached a few anguished voices who are seeking clarity about such schemes.

Looking forward to your urgent intervention with hope and anticipation.

Yours truly,



Sucheta Dalal | Debashis Basu
Founding Trustees,
Moneylife Foundation

CC:

1. Hon Finance Minister, Mr Pranab Mukherjee
2. Finance Secretary, Ms Sushama Nath
3. The Governor, RBI, D Subbarao

Enclosures as below:

Attachment contents:

Articles published by Moneylife

About Moneylife Foundation: www.mlfoundation.in

The Speak Asia money trail

<http://www.moneylife.in/article/the-speak-asia-money-trail/16451.html>)

Speak Asia says, "Sorry, we cannot 'disclose' anything"

<http://www.moneylife.in/article/speak-asia-says-sorry-we-cannot-disclose-anything/16445.html>)

Cheaters in paradise: True lies of SpeakAsia's Goa bash

<http://www.moneylife.in/article/cheaters-in-paradise-true-lies-of-speakasias-go-a-bash/16321.html>)

SpeakAsia still can't show valid legal documents

<http://www.moneylife.in/article/speakasia-still-cant-show-valid-legal-documents/15551.html>)

Another MLM scam in the happening, this time under the pretext of an online survey

<http://www.moneylife.in/article/78/9864.html>)

Competition heats up in online survey space with the entry of domestic MLM companies

<http://www.moneylife.in/article/competition-heats-up-in-online-survey-space-with-the-entry-of-domestic-mlm-companies/15827.html>)

KGN of Pune offers 1% interest a day, except holidays!

<http://www.moneylife.in/article/81/8268.html>)

Lure of Instant Riches

<http://www.moneylife.in/article/81/1046.html>)

From exchanges to MLM swindlers: Why are all of them so enamoured by forex trading?

<http://www.moneylife.in/article/from-exchanges-to-mlm-swindlers-why-are-all-of-them-so-enamoured-by-forex-trading/10729.html>)

Murky cover: Chain-selling of Insurance products thrives despite IRDA restrictions

<http://www.moneylife.in/article/8/5371.html>)

Earlier this year, a court in Chittagong, Bangladesh, sent two of Speak Asia's 'panelists' to jail for cheating their clients of 6.5 million Tk.

[http://www.daily-](http://www.daily-sun.com/?view=details&type=daily_sun_news&pub_no=115&cat_id=1&menu_id=10&news_type_id=1&index=6&archiev=yes&arch_date=01-02-2011)

[sun.com/?view=details&type=daily_sun_news&pub_no=115&cat_id=1&menu_id=10&news_type_id=1&index=6&archiev=yes&arch_date=01-02-2011](http://www.daily-sun.com/?view=details&type=daily_sun_news&pub_no=115&cat_id=1&menu_id=10&news_type_id=1&index=6&archiev=yes&arch_date=01-02-2011)

Comments on Moneylife site

1) <http://www.moneylife.in/article/speakasia-still-cant-show-valid-legal-documents/15551.html#comment-13568>

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Call Speakasia and ask them why they are not transparent? Why they are taking money from our KIDS by showing carrot of huge return? Every day they come up with a new thing to prove that they are genuine.

Mr. Tarak Bajpai- 09755020048
Mr. Vikram Gautam-
Mr. Sanjay Rammoorthy 09820309691
Mr Tejas Bhatt - 09833700706

This is a request from Parent to All Other Parents to stop children from going into this easy money trap.

2) Niaz 3 weeks ago

Hello everyone

I am frm Bangladesh and I would like to join the discussion.

SpeakAsia had a tremendous growth in Bangladesh but suddenly they stopped their functions (stopped giving surveys, and stopped crediting the survey incomes, even stopped paying at foreign bank).

Now the only thing SpeakAsia has to say is that it is willing to pay us but our govt is creating a barrier to it.

Now my question is lets assume for the sake of argument that our govt is not allowing SpeakAsia to pay us in our country's banks but if SpeakAsia is so much willing to pay us then why did they stop paying at foreign banks (like banks in Singapore, UK, USA, Australia etc.)?

So can anyone, who is so enthusiastic and so proud to be a SpeakAsia member tell me if the company was genuine why Bangladeshi people are suffering like this???

YES, may be for now you are getting paid but think about this INDIA has a very large population so may be in the initial stage you can get paid, but who knows you also might face the same situation as we (Bangladeshi citizens) are facing now.

The decision is yours to take I just shared some of my opinion.