Financial Intelligence Unit

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TYPOLOGY REPORT- SGK

1. Introduction

1.1 The Financial Intelligence Unit (FIU) scope of mandate includes production of Typologies Reports. Typology Reports serve to sensitise the stake holders with the emerging trends for them to devise means of mitigating actual or potential risks.

2. Background

2.1 This Typology Report stems from the analysis of Suspicious Transaction Reports (STRs) duly filed by several Accountable Institutions (AI) as required under section 18(1) of Money Laundering and Proceeds of Crime (MLPC) Act of 2008 as amended.

2.2 The submitted STRs relates to transactions linked to SGK which is a faceless entity and not resident in Lesotho. For purposes of this report, three bank accounts from AI AC and eight bank accounts from AI AZ were analysed to produce this report.

3. Grounds of suspicion

3.1 The reported transactions reveal a pattern of coordinated financial activity linked to an entity referred to as "SGK," suspected to be operating as a pyramid scheme under the guise of a digital marketing or online advertising business.

3.2 The accounts under review have consistently received high volumes of funds from numerous unrelated third parties, with transaction references indicating "SGK" or similar descriptors. Ongoing Customer Due Diligence (OCDD) confirmed that these inflows represent membership contributions to SGK, a defining characteristic of pyramid-type schemes. Notably, none of the involved Subjects were able to provide supporting documentation to verify the legal status, registration, or operational legitimacy of SGK.

3.3 The transaction activity across all accounts demonstrates a significant deviation from the customers' declared income levels and expected financial behaviour. Customers with modest declared earnings (ranging from approximately M1,000 to M20,000 per month) processed substantially higher transaction volumes, in some cases exceeding M900,000 per month. This indicates that the accounts are being utilized beyond their intended personal use, likely as conduits for third-party funds.

3.4 A consistent pattern of structured and cyclical fund flows was observed. Accounts received bulk inflows from multiple participants, followed by rapid redistribution to other individuals within the network. In certain instances, funds were withdrawn in cash or transferred in standardized increments, suggesting controlled disbursement mechanisms typical of scheme pay-outs or reinvestments.

3.5 Further analysis identified direct transactional linkages between multiple subjects, confirming the presence of an interconnected network. Certain accounts function as central collection and distribution points, reinforcing the hypothesis of an organized scheme with hierarchical or tiered participation.

3.6 Additionally, some accounts exhibited rapid conversion of funds into cryptocurrency shortly after receipt. This behaviour, particularly when combined with third-party funding, is indicative of potential layering techniques aimed at obscuring the origin and movement of funds. The involvement of individuals acting as intermediaries in facilitating such transactions raises concerns of unlicensed financial services activity.

3.7 The absence of a legitimate economic rationale, combined with the structured inflows, rapid outflows, inter-account connectivity, and links to cryptocurrency platforms, strongly supports the conclusion that the activity is consistent with known typologies of pyramid schemes and associated money laundering practices.

3.8 Accordingly, there are reasonable grounds to suspect that the accounts are being used to facilitate a coordinated, unregistered investment scheme

(SGK), with potential elements of money laundering through fund cycling, layering, and concealment of beneficial ownership.

4. Methodology

4.1 In preparing this Typology Report, the FIU utilised its powers provided for under section 15(1) of MLPC Act of 2008 as amended to gather information from different sources. The FIU database was queried to establish if there were other regulatory reports in respect of the subjects. Request for additional information were made from AI which have reported. The Open-Source Intelligence (OSINT) was also used to understand what SGK is and how it operates.

5. Findings of analysis

5.1 The are three accounts which were opened on the basis that the source of income is SGK APP Advertising. They are ACxxxx1, ACxxxx2 and ACxxxx3 all held with AC Bank. Their analysis indicated that there are no salaries received from SGK APP Advertising as declared during the opening of the accounts, rather there are several cash deposits and transfers with reference SGK and names of individuals.

5.2 The account number **ACxxxx1** receives large sums of money followed by the payment referenced BPAY GLOBAL. The BPAY GLOBA is the payment method in which the fiat currency is being converted to stable coin currencies such as **Tether (USDT) on the Binance platform.**

5.3 For the period 10th March 2026 to 19th April 2026, a total of **M1,370,205.21** was credited into this account and about **M1,139,938.66** was debited. The total of **M1,051,689.73** was converted from the fiat currency to cryptocurrency referenced **BPAY GLOBAL.**

5.4 The account number **ACxxxx2** held appears to have received a total of **M1,736,086.00** and about **M1,545,259.00** was debited from this account with reference SGK. That was for the period 8th December 2025 to 14th April 2026.

5.5 For the period between 12th November 2025 to 9th February 2026, a total of **M 591,876.99** was received into account number **ACxxxx3** and a total of **M340,934.85** was debited with reference SGK.

5.6 The other eight accounts held with AZ bank are the accounts opened for other purposes like receiving salaries from formal employment and getting income from self-employment activities, however the transactions related to SGK were identified which were inconsistent with their known KYCs. The accounts are as follows: AZvvv1, AZvvv2, AZvvv3, AZvvv4, AZvvv5, AZvvv6, AZvvv7, and AZvvv8.

5.7 The account number **AZvvv1** receives several deposits of money which are followed by transfers to several individuals with reference SGK. For the period 2nd January 2026 to 4th March 2026, a total of **M1,310,943.39** was received in this account and an amount of **M1,123,932.85** was debited with reference SGK.

5.8 The account number **AZvvv2** was credited with an amount of **M844,541.79** and a total of **M823 228.83** was converted into cryptocurrency with reference BPAY GLOBAL. This happened for the period from 2nd December 2025 to 23rd February 2026.

5.9 The account number **AZvvv3**, for the period from 5th December 2025 to 5th March 2026 a total of **M1 079 110.06** was received into this account and a total of **M800 957.70** was debited from this account with reference SGK.

5.10 The account number **AZvvv4 received a** total of **M150,000.00** was received into this account with reference SGK and a total of **M145,000.00** was withdrawn in cash at the branch. This occurred for the period from 17th February 2026 to 5th March 2026.

5.11 The account number **AZvvv5** received a total of **M144 567.68** while a total of **M142 844.81** was debited referenced SGK. This happened for the period 17th February 2026 to 5th March.

5.12 The account number **AZvvv6.** For the period from 16th February 2026 to 16th March 2026 a total of **M866 614.49** was received into this account and a total of **M826 817.31** was debited from this account with reference SGK.

5.13 The account number **AZvvv7.** For the period from 9th February 2026 to 8th April 2026 a total of **M153,344.59** was received into this account and a total of **M150,555.70** was debited from this account with reference SGK.

5.14 The account number **AZvvv8.** For the period from 16th February 2026 to 7th April 2026 a total of **M 405 540.49** was received into this account and a total of **M236,191.99** was converted into cryptocurrency with reference BPAY GLOBAL.

5.15 The account holders who are responsible for converting fiat currency into cryptocurrency are allowed to retain three to five percent of the converted amount. Their role is just to convert and remit the converted amounts to SGK crypto wallet.

5.16 One account holder who received **M 405 540.49** in his account and converted a total of M**236,191.99**, did not know the person(s) who made deposits into his account nor the source of the funds themselves.

5.17 For the period from 2nd December 2025 to 19th April 2026, a total of **M2,111,110.55** has been converted into cryptocurrency through bank cards purchases. The information from banks confirmed that these transactions were card purchases through a merchant named **BPAY Global** and the acquirer of the merchant is **Easy Financial Services B.S.C**. which is located at **Flat 2405, Building 128 Road 38, Manama Centre 44776 in the Kingdom of Bahrain. Bahrain** is an island country in the Middle East, located in the Persian Gulf near Saudi Arabia and Qatar. The ultimate beneficiaries and crypto wallets could not be identified.

5.18 The information from OSINT indicated that Eazy Financial Services B.S.C, established in 2016, is licensed and regulated by the Central Bank of Bahrain as a leading POS and Online Payment Gateway provider. It operates under the trademark EazyPay.com and has been recognized as one of the Top 25 FinTech companies in the Middle East by Forbes. Eazy Financial Services offers a range of payment services, including cryptocurrency acceptance and biometric technologies for secure transactions in the banking and financial services industry.

6. Conclusion

4.1 The above exposition demystifies a similar pattern of inconsistency with the KYC documents of account holders and for the ultimate benefit of SGK whose identity remains concealed. The concealment of SGK identity remains a serious concern on AML control ecosystem as it potentially compromises the integrity of the Financial System.

4.2 The mode of transacting with and or for the benefit of an entity called SGK has risen the concern of the FIU to the extent that the FIU discourages transactions that are related to faceless beneficiaries and its agents or entities with incomplete KYC and displaying similar patterns of transacting.

7. Recommendation.

5.1 It is the considered FIU recommendation that until the beneficial ownership of SGK has been verified and the purpose for transactions in its favour are known, any transactions involving SGK be reserved.