

Chapter 18: Yogome's dramatic fall for alleged fraud

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Abstract [References](#)

This case tells the story of Yogome, a Mexican startup that designed educational mobile video games for children and became a benchmark of Mexican entrepreneurship. However, due to alleged financial fraud, Yogome's success ended on October 4, 2018. Manolo Díaz, Yogome's co-founder, was accused by employees of manipulating revenue reports given to investors. The decision-maker in the case is a Chilean angel investor who, on October 4, 2018, is considering whether to invest in a promising Mexican startup offering English courses for children on mobile devices. He was interested in investing in the startup, but the alleged fraud at Yogome raised questions about whether the founders manipulated financial data to obtain financing. After studying this case, students will be able to apply the fraud triangle theory, learn how the investors could mitigate and prevent financial fraud in startups, and understand investor behaviors that can incentivize financial fraud in startups.

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