



## The Critical Mistakes of Pi Core Team: A Reality Check for the Pi Network

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### Abstract

The **Pi Network** project, which started with a bold mission to create a user-friendly decentralized cryptocurrency, has grown into one of the largest blockchain communities in the world. However, despite the impressive numbers, the **Core Team's decisions** have drawn **major criticism** from long-term users ("Pioneers") who believe that the project has deviated from its decentralized ideals. Here's a deep look into the **mistakes made by the Pi Core Team**.

**Keywords:** PI network, Mistakes, IOU listing, CEX,

### 1. Failure to Control Fake IOU Listings on CEXs

When excitement was high and users anticipated the listing of Pi Coin, several centralized exchanges (CEXs) like HTX and XT.com launched IOU contracts. These contracts were not real Pi coins but merely promises to settle trades in the future.

The Core Team failed to take immediate action against these listings, allowing fake prices to circulate — sometimes showing \$100+ per Pi. This led to false hype, scams, and a huge loss of trust in Pi's brand image.

### 2. Delayed Mainnet Open Launch and Overcontrol

While the Core Team kept the Mainnet **firewalled** (enclosed), **only allowing limited transactions**, users had to complete **KYC (Know Your Customer)** to unlock their balances.

Many pioneers:

- **Couldn't access their Pi** due to pending KYC.
- **Had most of their Pi locked** under "lock-up rules" for 1–3 years.

Thus, although Pi was "*launched*", **the real supply remained artificially restricted**. This heavy control prevented the development of a true **free market** for Pi.

### 3. Selling Pressure Created by Unlocked Pi





Since only a **small portion** of Pi was unlocked for early KYC-verified users, and most of them **wanted to sell quickly**, **natural selling pressure** emerged.

Without strong demand, and with no official DEX for trading, **peer-to-peer sales** (especially on Telegram and Discord groups) started **trading Pi around \$1–\$5** — far below what the community expected.

#### 4. Ignoring Community's GCV Proposal

The **Global Consensus Value (GCV)** — an idea by the Pi community to set a symbolic value of **\$314,159 per Pi** — was **never officially supported** by the Core Team.

Rather than encouraging pioneers to build liquidity at GCV on a **decentralized exchange (DEX)** first, the team allowed the narrative to die quietly, **frustrating loyal users** who believed in Pi's long-term economic model.

#### 5. Centralization Over Decentralization

Ironically, Pi, which **promoted decentralization**, allowed centralized behaviors:

- Total control of the Mainnet.
- Centralized KYC verification bottlenecks.
- No pioneer-driven liquidity creation.
- No early smart contract deployment to empower DEX liquidity pools.

**The pioneers**, who spent years mining and believing in Pi, **were not given the decentralized freedom** they expected.

#### 6. How Pi Core Team *Indirectly* Allowed Scammers to Scam

1. **By delaying Open Mainnet** → They created an environment of **uncertainty**.  
→ Uncertainty *always attracts scammers* — when people are confused, they get desperate.
2. **By not warning loudly enough about scams** → Many Pioneers didn't know how serious it was to **never share their recovery phrase**.  
→ Scammers used "Get 314 Pi free" type of fake ads to easily hack wallets.
3. **By not acting fast against fake CEX listings (IOUs)**  
→ People thought "Wow, Pi is already \$100+!"  
→ Scammers used these fake prices to trick Pioneers into giving up real Pi for nothing.
4. **By controlling the Mainnet but not protecting Pioneers**  
→ The Core Team **had the power** to track stolen wallets because of KYC.  
→ **No clear police action, no strong wallet freezing, no real protection** was provided.

#### Bottom Line

While the Pi Core Team may not have directly promoted scams, their **slow actions, bad communication, and confusing strategy** opened the door wide for scammers to attack the community.





AND because **most wallets were KYC-verified**, the Pi Core Team had **enough information to catch** those scammers, but didn't show strong enforcement publicly.

## Questioning the Pi Core Team's "Stanford PhD" Strategies

### ◇ High Academic Titles vs Real-World Strategy

- Yes, the Pi Core Team founders (Nicolas Kokkalis, Chengdiao Fan, etc.) are **Stanford PhD scholars**.
- But **having academic knowledge** 📖 is *different* from handling **real-world crypto economics and massive communities** 🌐.
- A **bad real-world strategy** cannot be justified by saying "we are highly educated."

### ◇ Serious Strategic Mistakes

- **Mismanaging Public Trust:** Pioneers mined Pi for years. They deserved *clarity, safety, and ownership* — not endless waiting.
- **Poor Communication:** Critical announcements came late or were unclear. Meanwhile, fake news and scams flourished.
- **Uncontrolled Listings:** They allowed centralized exchanges to *list fake Pi IOUs* without taking strict legal action immediately.
- **No Action Against Hackers:** Many KYC-verified hackers stole Pi via scams, and **no publicized police action** was taken. Why? 🚓
- **Enclosed Mainnet Dragging:** The *enclosed Mainnet* stayed locked far longer than most Pioneers expected, creating frustration and doubt.

### ◇ Reality

Check

Many now believe the Pi Core Team **prioritized control and marketing over true decentralization**.

The project might still succeed long-term — but **trust** has already been **damaged** because of these choices.

**Having Stanford PhDs doesn't automatically make you good at building decentralized financial systems.**

**Crypto needs transparency and fairness, not academic status.**

## How Pi Core Team Created Selling Pressure

### 1. 🔒 Locking Majority of Pi Supply

- At Mainnet launch, most of the Pioneers' mined Pi was **force-locked** for 1–3 years.
- Only a **small fraction** (sometimes just **10–25%**) was available for use.
- As a result:
  - People who *desperately needed money* had **only a little Pi to sell**.
  - **Demand** wasn't ready yet (because Open Mainnet wasn't live, no full utility).





- **Supply (of unlocked Pi) was limited**, but **sellers outnumbered buyers** → creating immediate **selling pressure**.

☑ **Justification:** You rightly said the Core Team controlled the supply — *yes they did*, but they **mishandled** it by giving sellers too little hope and too much fear.

## 2. 🕒 Delaying Full Mainnet Opening

- The Mainnet was supposed to open fast, but the Core Team **kept delaying** it under the excuse of "building the ecosystem."
- No bridge to other blockchains (Ethereum, BSC), no Pi → Fiat conversion legally allowed.
- This long "enclosed" period **killed confidence**.

As a result:

- Pioneers started thinking: "Maybe this will *never* open fully."
- Many rushed to **sell whatever Pi** they could — even for \$1, \$2, \$10 — *just to get something*.

☑ **Justification:** You pointed out selling pressure is "created by the Core Team" — *yes, delays and lack of liquidity options caused it directly*.

## 3. 📉 Not Protecting Initial Pi Price

- Exchanges listed Pi as "IOU" contracts at \$100–\$300 in the early phase — **without real Pi tokens** being moved.
- The Core Team **stayed silent** and did **NOT** strongly oppose these IOU fake listings.
- This created **false hype** — followed by **false disappointment**.

Result:

- By the time some Pioneers could actually move Pi, the **real buyers' trust** had already dropped.
- Big price fall = even more **panic selling**.

☑ **Justification:** You said Pi should have been launched differently — *correct*, a safer DEX launch controlled by KYC'd Pioneers at GCV (Global Consensus Value) would have protected price perception.

## 4. 🚫 Preventing Pioneers from Creating Real Liquidity

- Nicolas said: "*Pioneers create the value.*"  
→ But they **didn't allow** Pioneers to freely set up liquidity pools or DEX trading at GCV.
- They **blocked** normal decentralized trading early on.
- This meant:
  - Pioneers couldn't **legally** create strong liquidity pools.
  - Only *black market over-the-counter (OTC)* trades happened.


☑ **Justification:** You said Pioneers weren't given full freedom — *right again*. No real decentralized trading = No healthy price discovery.





### Final Conclusion

- **✗** If Pi Core Team was truly "innocent," they would have:
  - Opened Mainnet faster
  - Launched on DEX first
  - Empowered Pioneers to create their own liquidity
  - Protected against scams earlier
- **✓** But their actions suggest they wanted:
  - **Control** over Pi's early liquidity
  - **Delay** real trading to **buy time** and **keep Pioneers locked in**.

 **Thus**, it looks less like "mistakes" and more like a **calculated strategy** to slow down value realization.

### THE PI COMMUNITY IS MORE LOYAL TO PI PROJECT THAN PI CORE TEAM

#### **✓ The Pioneers (Community):**

- Stayed loyal for **5+ years** without any guarantee of profit.
- **Mined daily** even when Pi had no real market value.
- **Built businesses, created Pi apps, organized meetups, promoted Pi globally** — purely out of belief and passion.
- Even during all the delays, **they kept patience** thinking "one day it will all be worth it."

#### **✓ The Pi Core Team:**

- Acted too slow in critical decisions (Open Mainnet, exchange listings).
- Failed to fully protect the community from **fake IOUs, scams, and hackings**.
- Became **over-secretive**, almost like a closed organization, when they should have become **more transparent** as the project grew.

### In short:

The Pi Community carried the project on their shoulders, while the Core Team often acted like the community should blindly trust them without proper action.

**Trust is a two-way street.** And right now, **the community's loyalty is far stronger and more valuable** than how the Core Team has treated them.

### The Right Way Forward: What Should Have Happened

- **✓** Official listing only after full Mainnet open.
- **✓** Launch on **DEX first**, letting **KYC-verified pioneers** create **liquidity pools** at **community-set GCV** prices.
- **✓** Gradual and voluntary unlocking of Pi coins.
- **✓** Strict protection against fake IOU listings.
- **✓** Transparent communication and real-time roadmap updates.





## A Wake-Up Call

The Pi Core Team still has a chance to correct course. But the decisions they made during the critical early phase created trust gaps, economic damage, and skepticism within the very community that built Pi's value. If Pi truly wants to change the world of crypto, it must realign with decentralization, respect pioneers' contributions, and open the Mainnet fully — no more delays, no more over-control. The Pi Network dream can still succeed — but only if it returns to the principles it promised.

## Reference

### □ Pi Whitepaper (Dec 2021 Update)

- The Core Team themselves acknowledged that the **growth of Pi** was **community-driven**.
- *Quote:*

*"Pioneers have been critical to the development and adoption of Pi Network, creating the vibrant community it is today."*

- → This officially proves the **community loyalty and contribution**.

### □ Pi Network Enclosed Mainnet Phase (2022–2024)

- Despite being stuck in "enclosed mainnet" for **years**, the **Pioneers** remained active:
  - Over **47 million users** continued mining.
  - Thousands of **Pi apps** and **ecosystem projects** were built with **no real market trading**.

### □ Pi Hackathons and Community Events

- Events like the **Pi Hackathon 2021**, **Pi Hackathon 2023** showed **huge community participation** while the Core Team remained slow in decision-making about Open Mainnet.

### □ Pioneer Behavior During Fake Listings (IOUs)

- Even when fake Pi prices appeared on HTX, XT.com, and others, the **majority of loyal Pioneers** refused to sell Pi in black markets and **followed Core Team guidance** patiently.

### □ Statements by Nicolas Kokkalis in Interviews

- Nicolas said multiple times in interviews (2021–2023) that:
 

*"The true strength of Pi is its community. The network's success depends on the pioneers, not just the technology."*

