

supplements to encourage prospective victims to make the initial contact.

**Remember – Victims of phone fraud seldom get their money back.** It is almost always a win – win situation for the con-artist.

### HOW DO YOU VICTIM- PROOF YOURSELF?

Most people find it hard to believe that they can fall prey to investment frauds. The one thing that all victims have in common is, “I never thought it could happen to me. I thought I was too smart to be swindled.” The reality is that under the right circumstances, almost anyone can become a victim of fraud. Why? Because everyone has the emotions of *fear* and *greed* – the very emotions the con-artist exploits. There are, however, steps you can take to protect yourself:

◆ **Take a breather.** Never invest merely on the basis of a sales pitch. Get written information and study it. Ask advice from someone who knows more than you do.

◆ **Remember that the person on the other end of the phone is a salesperson.** His/her interests are

mostly self-serving in the form of making money.

◆ **Check out the salesperson and the firm.** If he/she is legitimate, you will get the correct information to check out.

◆ **Stick with investments you understand.** Don't just trust the salesperson. If you don't or can't understand it, don't invest.

◆ **Do not sign papers you have not read or do not understand.** Use a lawyer or a person you know and trust that can understand the agreement.

◆ **Be skeptical.** Ask as many questions as you can about where your money is going. Do not fall for double-talk.

Fraud is real, and it affects thousands of people everyday. Exercise caution and use precaution so you don't fall prey to the art of fraud.



# FRAUD

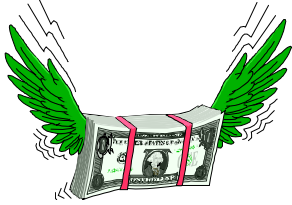


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# CON-ARTIST

A citizen's guide to protecting oneself from fraud.

Americans lose billions of dollars every year to fraudulent investment schemes that promise a no-risk way to increase your money in a hurry. Rip-off artists appeal to *greed*.



Swindlers also exploit *fear*, the concern about whether or not you will have enough money to meet future living expenses and medical needs. Fear is a particularly powerful motivator for con artists during times of economic downturn in America.

When greed or fear, or both, are the deciding factors in decision making, financial disaster is likely to follow.

Those who sell fraudulent products or services are not easy to identify. The successful ones sound and look like reputable business people. When detection looms, they move to another city and assume different names.

Does the average person stand a chance against a swindler? Yes, if he/she understands how different types of scams work and what action should be taken. Education is the key.

## FRAUDULENT SALES TECHNIQUES

**High Pressure Sales Tactics.** This often ranges from appealing to your intelligent side to making you feel dumb for not investing. If this happens, *hang up*.

**Act Now or Lose the Opportunity.** Another type of high pressure sales. *Hang up*.

**Sounds Too Good to be True.** It probably is. *Hang up*.

**It's Risk Free.** Not hardly. All investments have risks. *Hang up*.

**No Time to Provide Written Information or References.** Any reputable company will mail you information. *Hang up*.

**Credit Card or Checking Account Information Required.** Never give that information over the phone to someone you are not sure of. *Hang up*.

**Someone Will Pick Up the Money at Your House.** This is a way to avoid prosecution under mail fraud laws. *Hang up*.

**Free Gift or Trip.** No one gives something for nothing. There is always a catch. *Hang up*.



## TELEMARKETING FRAUD

Most telephone sales calls are made by honest businesses offering legitimate products or services. However, since the telephone is the weapon of choice by con artists, you must be cautious.

**Is the caller honest?** Since skilled swindlers have ready answers, you must check out the firm before you invest.

**Phone swindlers may already know more about you than they should,** especially your income, hobbies, etc. If this is the case, the odds are he/she is a swindler.

**Fraudulent sales callers are skilled liars, smooth talkers, and experts in deceit.** They make it almost impossible to tell if they are legitimate or not. Be cautious.

**The person who initiates the phone call may be you.** Many phone crooks use direct mailings and advertising