

Investment Fraud

Whether you have a little money or a lot, you'd probably like to have more to "feather your nest." But your money could fly away if you get caught in an investment scam.

- **Don't believe claims that there is no risk.** There is always risk in investments, and no one but a con artist will tell you otherwise. Know the risk before you invest.
- **Beware of promises that you'll make big profits fast.** No one can accurately predict how an investment will do. Often the investments that promise the most pay-off are also the most risky.
- **Get the details in writing.** Legitimate companies will be happy to give you all the information you need.
- **Don't agree to anything on the spot.** Pressure to act immediately is a danger sign of fraud.
- **Understand your investments.** Do you know the difference between stocks and bonds, margin accounts and cash accounts, options and futures, mutual funds and certificates of deposit? If not, do your homework before you invest.
- **Don't act on testimonials from strangers.** Someone who appears to want to share a friendly tip about a great investment opportunity may actually be a con artist trying to lure you into an investment scam.
- **Be especially wary of investments in commodities.** Crooks often promise that the value of investments in coins, precious metals, artwork, oil leases, gemstones, and other commodities will rise. The truth is that the value of these types of investments can go up or down significantly.
- **Steer clear of "offshore investments."** These are often promoted as a way to avoid taxes. Actually, you are still liable for taxes, and the investments themselves are usually very risky.
- **Be cautious about emails for investments.** Many unsolicited emails are fraudulent.
- **Take the time to check out investment offers.** A good place to start is with your state securities regulator. Other resources for information to help you make wise investment decisions include: the federal Securities and Exchange Commission, 800- 732-0330, www.sec.gov; the North American Securities Administrators Association, 202-737-0900, www.nasaa.org; and the National Futures Association (for investments in commodities), 800-621-3570 (in Illinois, call 312-781-1467), www.nfa.futures.org.