

# Identifying Telemarketing Investment Fraud

***The caller insists you have to decide immediately or the opportunity will be gone...***

Legitimate investments don't require a person to act immediately. A good investment will still be available after you have had time to investigate the options.

***The caller refuses to send you written information before you commit to anything...***

Legitimate companies are always glad to send information about what they're offering.

***The caller claims that you can make huge profits in an investment with no risk...***

All investments are risky and companies offering legitimate investments must tell you about the possible risks involved. REMEMBER: the higher the return, the greater the risk.

***The caller insists that you send your payment by a private courier...***

Private couriers, including delivery services such as Federal Express, are used by promoters of fraudulent investment schemes to evade postal authorities.

***The caller offers to get back money that you have lost to another fraudulent scheme for an up-front fee...***

State securities and law enforcement agencies don't ask for payment to try to help consumers get their money back, and it's illegal for a company to ask for an advance payment for such services.

***The caller claims to have a "hot tip" or inside information...***

Federal law prohibits trading in securities based on non-public information. Ask yourself: If this information is so valuable, why is it being shared with a stranger?

***The caller claims the investment does not have to comply with securities law or is unwilling to provide information on his or her registration in Nebraska...***

All securities sold in Nebraska, even by telephone, must comply with the Securities Act of Nebraska. Most individuals selling securities or providing advice about securities must be registered with the Department. Ask any sales person for his/her CRD number, then call the Department to check if he/she is registered or has any disciplinary history.

## You Need to Know

Illegal telemarketing is a crime, and fraudulent telemarketers are criminals.

The FBI reports that there are an estimated 14,000 illegal telemarketing operations bilking consumers every day.

As much as \$40 billion per year is lost to fraudulent telemarketers.

Giving money to a fraudulent telemarketer usually means losing it forever.

Reporting suspected telemarketing crime is essential to stopping it.

*You can protect yourself from being a target of fraud by telling the caller that you want to think about the investment. Ask for a number to call back. If the caller refuses to give the number or insists on an immediate decision, it's a "red flag of fraud."*

For more information contact:

Nebraska Department of Banking & Finance, 1200 "N" Street, Suite 311  
PO Box 95006, Lincoln, Nebraska 68509-5006  
(402) 471-3445 or (877) 471-3445

## Telephone Response Card

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How Do I Respond If A Caller:

Pressures Me To Make A Decision Now?

Answer: **HANG UP**

Promises High Return And Little Or No Risk?

Answer: **HANG UP**

Encourages Me To Use Private Delivery Services?

Answer: **HANG UP**

Is Unwilling To Send Written Material?

Answer: **HANG UP**

Refers To Inside Information Or Hot Tips?

Answer: **HANG UP**

Is Not Registered In Nebraska? If The Investment Offered Is Not Registered In Nebraska?

Answer: **HANG UP**

## Why Telemarketing Investment Fraud is Successful

*It is hard to tell if a caller is legitimate...*

Good salespeople are convincing and so are crooks. You can't tell by the tone of someone's voice if the call is legitimate.

*It is hard to hang up...*

Many people feel that it's impolite to hang up on callers. And swindlers know how to control the conversation, either by pretending to be very friendly or by using bullying tactics.

*We all want to believe...*

Who doesn't want to strike it rich on an investment? People want to believe that it's their lucky day, and may react with anger or suspicion when friends or family question their optimism.

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*It's hard to hang up on people — especially when the caller sounds so polite and friendly. But you would not let strangers into your home or accept rides from someone you don't know. So, you should handle telephone calls from strangers the same way— HANG UP!*

## How to Identify Telemarketing Investment Fraud

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Fraudulent Telemarketers Are Criminals...

*Don't Fall For Their Line!*

**Invest your time  
before your money**