

*Protecting Wisconsin Consumers for 75 Years*

## Financial guide

How can you and your family be on guard against financial scams, especially those that target the elderly?

Seniors are particularly vulnerable to tactics of scam artists who are “nice” or attempt to develop a false bond of friendship. Scam artists prey on seniors who are polite to others and have difficulty saying “no” or feel indebted to someone who had provided unsolicited investment advice. Savvy investors take their time to do their own research and talk to friends and family before investing.

Make sure you understand the investment, the risk attached, and the company’s history before investing. And remember, if a product sounds too good to be true, it is!

### Know who you are dealing with

Try to deal only with businesses and other organizations you already know or that have been recommended. When in doubt, do research. See if complaints have been filed against a company by contacting the:

Bureau of Consumer Protection  
**1-800-422-7128**

Better Business Bureau  
**www.bbb.org or 1-800-273-1002**

Be sure to look up the company both in your area and the area where the company is located.

Search the Internet with the company name and the word “complaint” or “scam.”

These checks may not be foolproof, but they may show if complaints have been filed.

### Be cautious

Get all key details of a significant offer in writing and thoroughly check them out before agreeing to anything.

Make sure you understand your responsibilities and the potential risks before entering into any transaction.

Be cautious if the person making the sales pitches only focuses on the benefits or the promised return and rushes over the costs and potential risks. The seller might not be acting in your best interest and the product may not be appropriate for you.

### Know the salesperson

Spend some time checking out the salesperson touting the investment before you invest – even if you already know the person socially. Always find out whether the securities salespeople who contact you are licensed to sell securities.

You can check out the disciplinary history of brokers and advisers quickly and for free by using the online databases of the:

Securities and Exchange  
Commission (SEC)  
**www.sec.gov**

Financial Industry Regulatory  
Authority (FINRA)  
**www.finra.org**

Your state securities regulator may have additional information. Contact the:

WI Department of Financial  
Institutions (WDFI)  
Division of Securities  
**1-800-472-4325 (option 3)**

Never judge a person’s integrity by how he or she sounds. Successful con artists know how to sound professional. They can make even the flimsiest deal sound like a “sure thing.” Con artists know that the appearance of professionalism combined with polite manners or overtures of friendship may lead many older investors to accept the advice.

### Take your time

Do not be rushed into investment decisions. Just because someone you know made money, or claims to have made money, does not mean you will too. Be especially skeptical of investments that are pitched as “once in a lifetime”

opportunities, particularly when the promoter bases the recommendation on "inside" or confidential information. Remember that a fraudster does not want you to think too much about the investment because you might figure out the scam.

## Be wary of unsolicited offers

Be especially careful of an unsolicited fax, email, or when viewing an Internet bulletin board praise about a company but can find no current financial information from other independent sources. Many fraudsters use email, faxes and Internet postings to tout thinly traded stocks, in the hopes of creating a buying frenzy that will push the share price up so they can sell their shares. Once they dump their stock and quit promoting the company, the share price quickly falls.

Be extra wary if someone you do not know and trust recommends foreign or "offshore" investments. When you send money abroad, and something goes wrong, it is more difficult to find out what happened and locate your money.

## Closely monitor statements

Look at your monthly credit card bills and bank statements as soon as they arrive and report any discrepancies or anything suspicious, such as a missing payment or an unauthorized withdrawal.

## Check your credit report

Periodically review your credit reports for signs that an ID thief is misusing your name. Credit reports, which are prepared by

companies called credit bureaus, summarize each person's history of paying debts and other bills. If your credit report lists a credit card, a loan or a lease you never signed up for, a con artist could be attempting to commit fraud using your identity.

You are entitled to one free credit report each year from each of the nation's three major credit bureaus. Experts suggest spreading out your requests throughout the year to maximize your protection.

To get a free report, go to or call:  
**www.annualcreditreport.com**  
**1-877-322-8228**

## Never be afraid to complain

If you suspect fraud or a questionable practice and the explanations that you receive are not satisfactory, do not let embarrassment or concern that you will be judged incapable of handling your own affairs prevent you from filing a complaint.

## Where to call for help

Securities and Exchange  
Commission (SEC)  
**1-800-732-0330**

Financial Industry Regulatory  
Authority (FINRA)  
**1-800-289-9999**

WI Department of Financial  
Institutions (WDFI)  
Division of Securities  
**1-800-472-4325 (option 3)**

## Remember the red flags

Avoid scams or help determine if an ill or elderly relative is a victim or target of fraud by knowing some of the classic warning signs. They include:

- Unsolicited offers from strangers or unfamiliar companies that sound too good to be true, including mail or phone calls proclaiming an elderly person to be the "winner" of prizes or investment "opportunities".
- Requests to send money or bank account information before a promised product or service is delivered.
- Pressure to quickly say "yes" to a proposal, especially an oral offer to sell you financial products, household equipment or home repairs that are not really needed.
- Indications of cash shortages by the elderly person when they should have enough money coming in.
- Checks payable to people or businesses for reasons that the elderly person cannot explain.

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

**Bureau of Consumer Protection**  
**2811 Agriculture Drive**  
**PO Box 8911**  
**Madison WI 53708-8911**

**E-MAIL: DATCPHotline@wi.gov**

**WEBSITE: datcp.wi.gov**

**(800) 422-7128**

**FAX: (608) 224-4677**

**TTY: (608) 224-5058**

(Taken from the FDIC "A special guide for Seniors and Families How to protect against Financial Fraud")