



IN CONJUNCTION WITH



A PROJECT OF THE FINRA INVESTOR EDUCATION FOUNDATION®

Tips,
Tools and
Resources for
Organizers

Help Others
Outsmart
Investment
Fraud

In the mail, over the phone, or on the internet; it seems investment fraudsters are everywhere these days. But you can protect a family member, a friend – or even yourself – by planning an investor protection workshop or documentary viewing party using materials from the FINRA Investor Education Foundation.

INCLUDED IN THIS KIT:

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OVERVIEW

The problem

Unfortunately, we all probably know someone who could be a victim of investment fraud. Fraudsters are pretty clever and are always finding new ways to trick people out of their savings. In fact, investment fraud affects thousands of Americans and accounts for billions in lost savings every year!

According to FINRA Investor Education Foundation research, a majority of victims are financially knowledgeable, highly educated and self-reliant – probably a lot like people you know.

The solution

There are simple steps – such as checking to see if a financial professional is licensed or a product is registered – to help others protect their finances before making any investment decision. You can teach these steps and more by planning an event for friends and family. Just use the FINRA Foundation’s *Outsmarting Investment Fraud* curriculum and “Trick\$ of the Trade: Outsmarting Investment Fraud” documentary. We’ll tell you how to order these materials later on in the guide.

Time commitment

It can take you just a few hours to host a documentary viewing party or a few days to plan a community-wide investor workshop. Only have five minutes? Be sure to check out the Tip Sheet on Easy Steps to Help a Friend Outsmart Investment Fraud for simple ways to help a friend or neighbor.

Special considerations

Not much! To host your own documentary viewing party, all you need is a DVD player, TV and printer. But if you are planning a community-wide workshop, you will need to secure a location, order materials and identify available audiovisual equipment (i.e., computer, screen and projector). But don’t worry; we’ll help you through all this in the Basic Steps section.

You may need the internet to access online tools to help a friend, but you can always call the numbers listed in the Tip Sheet on Easy Steps to Help a Friend Outsmart Investment Fraud to talk to someone on the phone.

Who can do this?

Anyone can help someone!

Great reasons to do this project

No one should be cheated out of their hard-earned money. Simply making a phone call, hosting a documentary viewing party or learning to “ask and check” can help you protect your neighbors – and yourself.

✓ 78% of older investors did not check a financial professional’s background, and 68% did not check an investment product’s registration before purchasing an investment.

✓ The FINRA Investor Education Foundation developed the *Outsmarting Investment Fraud* curriculum, which has been shown to reduce the incidence of fraud by approximately 50%.



The Basic Steps

You may be wondering what an investor protection workshop and documentary viewing party are, what they look like and how much planning is involved. Well, they're fun and easy events that will help you spread the fraud prevention message to your friends and neighbors. Your event can just be you and five friends, or you can invite the entire community! What matters is that you are sharing tips that will help others protect themselves from fraudsters.

The FINRA Investor Education Foundation has developed the following tools to help you spread the message:

- **Outsmarting Investment Fraud Curriculum**

To kick off your investor protection workshop and help you get organized, the FINRA Foundation developed the *Outsmarting Investment Fraud* curriculum. It's a fully interactive PowerPoint presentation that includes videos to help you understand the psychology of a scam and how to stop it from happening to you and your friends.

To preview the curriculum and supporting materials, visit www.SaveAndInvest.org/55Plus/PartnerToolkit. To order a copy, visit www.CreateTheGood.org/fightfraud/curriculum or call 202-728-6964.

There are 30-minute and 60-minute versions of the *Outsmarting Investment Fraud* curriculum available in various formats to meet your audiovisual needs.

- **“Trick\$ of the Trade: Outsmarting Investment Fraud” Documentary**

You can also share this documentary developed by the FINRA Foundation, in collaboration with AARP, that outlines the same principles taught in their *Outsmarting Investment Fraud* curriculum. It features real-life stories from victims, experts in fraud prevention and fraud criminals. You can show the DVD of the documentary to family, friends and neighbors in your home or in a community setting. Continue the conversation after the viewing using the Discussion Questions to get people talking and thinking!

Now that you know the tools out there to help, here are some simple steps to follow to get you started on planning your investor protection event.



Step 1: GET PLANNING

- **Decide what type of event you want to organize.**

Before you worry about specifics, just answer these simple questions. They will help you decide whether a documentary viewing party or a curriculum event is right for you and your friends!

- ✓ ***How much time do you have to plan an event?***

- A little: Host a documentary viewing party for your friends.
- A lot: Go for it and plan a larger, community-wide event for your neighbors.

- ✓ ***With whom do you want to share this information?***

- A few friends and family members: Plan an event at your home or the home of a friend/neighbor.
- Whole community: Plan an event at your local library, community center, church or other neighborhood gathering place.

- ✓ ***Do you belong to a membership organization that would be interested in learning to fight fraud?***

- Yes: Ask to present the curriculum or screen the documentary at a monthly meeting.
- No: Gather a group of friends to go through the curriculum or watch the documentary.

- **Select the event location, date and time.**

When you are trying to figure out where and when to hold your event, base it on the size of your group. If you have a:

- ✓ ***Small group of friends***: Consider hosting the gathering at your home during a weeknight or even a weekend afternoon.

- ✓ ***Membership organization***: Ask to present the curriculum or screen the documentary at a monthly meeting – at the regular meeting time and location.

- ✓ ***Large group (50 or more)***: Contact your community center, library, school or a hotel to use a large room or auditorium. Plan a date and time when most community events are held – weekday evenings or weekends. For more information on planning a large event, check out the Tip Sheet on Planning a Community-wide Outsmarting Investment Fraud Workshop in this guide.



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- **Order materials**

- ✓ **Documentary:** If you want to order the documentary, visit www.CreateTheGood.org/fightfraud/DVD or call 866-973-4672.

- ✓ **Curriculum:** If you plan to present the curriculum,

- visit www.CreateTheGood.org/fightfraud/curriculum or call 202-728-6964.

Make sure you order curriculum materials or the documentary at least two weeks in advance of the event.

- **Set the agenda**

- ✓ Decide whether you want to use the 30-minute or 60-minute version of the *Outsmarting Investment Fraud* curriculum.

- ✓ Allow approximately 60 minutes to watch the documentary if you plan to show it.

- ✓ Include another 15-30 minutes to welcome the group, distribute materials and answer any questions attendees might have at the end of the presentation.

Step 2: INVITE FRIENDS, FAMILY OR YOUR COMMUNITY

If you are hosting an event for a:

- **Small group of friends:** Call or email friends and neighbors to extend an invitation or deliver one in person!
- **Membership organization:** Send out a mailing or email and post event information in the newsletter and on the website.
- **Large group (25 or more):** Think about contacting media outlets to publicize the event or posting flyers at your local community centers, libraries and churches. You can also use the FINRA Foundation's Outsmarting Investment Fraud Program and Outreach Toolkit to find additional tips, templates and resources on how to let the community know about your event. Visit www.SaveAndInvest.org/55Plus/PartnerToolkit.



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Step 3: PREP FOR THE EVENT

Here are a few simple things you can do to get ready for your event.

- Print out the tip sheets in this toolkit to share as handouts with your guests:
 - ✓ Tip Sheet: Easy Steps To Help a Friend Outsmart Investment Fraud
 - ✓ Tip Sheet: How to Spot Persuasion Red Flags
 - ✓ “Trick\$ of the Trade: Outsmarting Investment Fraud” Discussion Questions (optional if you are holding a documentary viewing party)
- Set up an area where your attendees can sign in, pick up materials and grab a pen and name tag.

Step 4: HOST YOUR EVENT

- Greet guests and kick off your event!
- Share your fraud prevention message, make sure everyone gets handouts and remember to hold a question-and-answer discussion afterwards to get people talking and keep the conversation going about fraud prevention.
- Be sure to ask your friends to share the fraud prevention message and the handouts with at least two people who weren't at the event. This will help spread the word throughout your community that there are simple steps we can all take to protect ourselves from fraud.

Step 5: CELEBRATE YOUR SUCCESS

Give yourself a pat on the back for all of your hard work. While the workshop is fresh in your mind, think about what worked well and what didn't. That way you can adjust your plan, as necessary, if you decide to do this again.



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Step 6: INSPIRE OTHERS ON CREATETHEGOOD.ORG

TELL US WHAT YOU DID!

We want to hear stories about how you helped give back to your community!
www.CreateTheGood.org/stories You just might inspire others to do the same.

SHARE FEEDBACK

We are always looking for feedback on our materials, so please let us know how this guide was helpful or additional information you wish we could have included. Share lessons learned and other tips for others who are interested in helping others outsmart investment fraud at www.aarp.org/community/groups/CreateTheGood.

KEEP UP THE GOOD!

Remember: Whether you've got five minutes, five hours or five days, you can make a positive impact in your community. And if you have more time, consider organizing another service activity, finding local opportunities and posting your events at www.CreateTheGood.org.



TIP SHEET: PLAN A COMMUNITY-WIDE OUTSMARTING INVESTMENT FRAUD WORKSHOP

Here are some tips that will help you smoothly plan and execute a community-wide workshop for 25 people or more. Check out our [event planning templates and materials](#), including agendas and timelines, from the FINRA Investor Education Foundation. For more information or if you have questions, please email investoreducation@finra.org or call 202-728-6964.

- **Figure out what audiovisual equipment is available prior to the event.**
 - ✓ Check to see if there is a computer, speakers, projector and a projection screen or white wall if using the PowerPoint Presentation. Ask where you can find this equipment if the workshop location does not have it on hand.
 - ✓ Consider using the oversized flip-chart developed by the FINRA Foundation to guide your presentation if there isn't audiovisual equipment available. Contact the FINRA Foundation at investoreducation@finra.org or 202-728-6964 to request a flip chart version of the *Outsmarting Investment Fraud* curriculum.
- **Reach out to a local public official or law enforcement personnel to speak at the event.**
 - ✓ Contact your state securities regulator, Attorney General, mayor, treasurer or police officer to attend.
 - ✓ Prepare speakers ahead of time and give them copies of the presentation and agenda.
- **Think about ordering printed materials or copies of the “Trick\$ of the Trade: Outsmarting Investment Fraud” documentary to pass out at the workshop.**
 - ✓ Download this [form](#) to order printed materials, such as brochures and other giveaways.
 - ✓ Order a free DVD copy of the “Trick\$ of the Trade: Outsmarting Investment Fraud” documentary at www.CreateTheGood.org/fightfraud/DVD or call 866-973-4672.
- **Confirm the event location and any audiovisual materials up to one week before the event.**



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- **Bring or set up on the day of the event:**
 - ✓ The curriculum presentation or flip-chart
 - ✓ Audiovisual materials
 - ✓ Copies of the agenda (if necessary)
 - ✓ Printed handouts
 - ✓ Sign-in materials
 - ✓ Snacks and beverages
 - ✓ Giveaway items (such as brochures and documentary DVDs)

- **Send thank-you notes to workshop presenters after the event.**



TIP SHEET: EASY STEPS TO HELP A FRIEND OUTSMART INVESTMENT FRAUD

Protecting friends, family and yourself from investment fraud shouldn't be intimidating. In fact, we have a few easy activities you can do in under an hour to help a neighbor or family member outsmart investment fraud!

- **Order the free “Trick\$ of the Trade: Outsmarting Investment Fraud” DVD for a friend.**
 - ✓ Visit CreateTheGood.org/fightfraud/DVD or call 866-973-4672 to order a free, hour-long documentary that uncovers the persuasion tactics con artists use to defraud victims and basic tools to help defend against fraud.
 - ✓ Encourage others to order the DVD.
- **Help protect a friend from investment fraud.**
 - ✓ **Help a friend recognize if they are at risk of investment fraud or are already being scammed.**
 - Visit SaveAndInvest.org – a free online resource developed by the FINRA Investor Education Foundation – to check out the [Risk Meter](#) or [Scam Meter](#) and help your friend answer the questions.
 - ✓ **Check to see if a financial professional is registered.**
 - Ask your friend for the investment seller's name and his/her company (if possible).
 - Log onto www.SaveAndInvest.org/55Plus/Invest/Sellers and follow the prompts.
 - Call 888-295-7422 if you have questions or to search by phone.
 - ✓ **Check to see if an investment product is registered.**
 - Ask your friend for the name of the investment product or company.
 - Log on to www.sec.gov/edgar/searchedgar/companysearch.html and follow the prompts.
 - Call 888-SEC-0330 if you have questions.
 - ✓ **Contact your state securities regulator.**
 - Get information about an investment seller or file a complaint against one if you believe they've engaged in fraudulent practices.
 - Find your state securities regulator at www.nasaa.org or call 202-737-0900.
 - ✓ **Reduce a friend's exposure to sales pitches.**
 - Sign a friend up for the Do Not Call list by visiting www.donotcall.gov or calling 888-382-1222.
 - Help a friend take their name and address off of direct mail marketing lists by visiting www.dmachoice.org.



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TIP SHEET: HOW TO SPOT PERSUASION RED FLAGS

Investment fraud criminals use a wide array of sophisticated and highly effective tactics to target and influence prospective victims. The truth is you encounter these tactics every day; they are used by legitimate businesses – in retail stores and in advertisements.

Read and share these common persuasion tactics with your friends and neighbors to learn what to look for and how to keep a level head when you encounter them. For more information, visit www.SaveAndInvest.org.

PERSUASION TACTICS	DEFINITION	EXAMPLE	RED FLAG RULE
PHANTOM RICHES	Dangling the prospect of wealth by enticing you with something you want but cannot have	“These gas wells are guaranteed to produce \$6,800 a month in income.”	Take time to think through the pitch. What is the salesperson really saying? Is he dangling incredible returns? Guarantees? Is he saying that the investment itself will lead to a different – and much better – lifestyle?
SOURCE CREDIBILITY	Capitalizing on the belief that it is better to deal with credible people in positions of authority	“Believe me, as a senior vice president of XYZ firm, I would never sell an investment that doesn’t produce.”	A seller may have a corner office, framed diplomas or certificates and wear a suit. But credibility can be faked. Check out the seller’s actual qualifications at www.SaveAndInvest.org .
SOCIAL CONSENSUS	Leading you to believe that if everyone wants it, it must be good	“I know it’s a lot of money, but I’m in – and so is my mom and half her church – and it’s worth every dime.”	Does the pitch focus on how many others are interested? Investing is a personal decision. Ask yourself if you are interested in the investment and if the objectives and risks are right for you.
RECIPROCITY	Offering to do a small favor in return for a big favor	“I’ll give you a break on my commission if you buy now – half off.”	Was the pitch preceded by a free meal, book or video? Do you feel obliged to do the salesman a favor? If someone does a small favor for you, don’t feel compelled do a big favor for them in return.
SCARCITY	Creating a false sense of urgency by claiming limited supply or limited time; if something is rare, it must be more valuable.	“There are only two units left, so I’d sign today if I were you.”	Is the offer good for only a limited time or in a limited quantity? Take time to evaluate the offer – don’t allow yourself to be rushed into making any financial decision. A legitimate offer will be there tomorrow.

The FINRA Investor Education Foundation contributed the information in this tip sheet to help investors reduce their risk of investment fraud by learning the persuasion tactics fraudsters commonly use.



“TRICK\$ OF THE TRADE: OUTSMARTING INVESTMENT FRAUD” DOCUMENTARY DISCUSSION QUESTIONS

Use these discussion questions with the FINRA Investor Education Foundation’s “Trick\$ of the Trade: Outsmarting Investment Fraud” documentary. You can watch the film at home or show it at a community event of your membership organization’s monthly meeting. These questions can serve as a guide in facilitating a group discussion, no matter how large or small your event.

1. What do you find the most surprising about the victim demographic trends?
2. Have you or someone you know been a victim of investment fraud?
3. Are any of these persuasion tactics familiar?
4. Give some examples of how these tactics show up in your everyday life.
5. Raise your hand if you have ever received an invitation to a free lunch or dinner investment seminar.
6. How many of you are signed up for the Do Not Call list?
7. Do you have a refusal script? Will you share it with the group?
8. Have you ever checked the registration status or disciplinary history of an investment professional with FINRA or your state securities regulator before doing business with them?
9. Have you ever checked the registration status of an investment product with the Securities and Exchange Commission or your state securities regulator before purchasing the investment?
10. What questions would you ask of a salesperson who was pitching you an unsolicited investment?
11. Do you know someone else who could benefit from this information?



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ADDITIONAL RESOURCES

For additional information about ways to help your family, friends and neighbors outsmart investment fraud, check out these tools.

Learn More about Investment Fraud

- www.SaveAndInvest.org/55Plus is an online resource developed by the FINRA Investor Education Foundation to help you understand the everyday behaviors that may put you at risk of investment fraud and the influence tactics used by fraudsters to perpetrate their crime. It also can help you verify the licensing of investment products and professionals.
- **The Outsmarting Investment Fraud Program and Outreach Toolkit** includes additional tips and tools to help you organize an Outsmarting Investment Fraud workshop. Visit www.SaveAndInvest.org/55Plus/PartnerToolkit.
- **“Trick\$ of the Trade: Outsmarting Investment Fraud”** is a free, hour-long documentary DVD developed by the FINRA Investor Education Foundation, in collaboration with AARP, that uncovers the persuasion tactics that con artists use to defraud their victims and the basic tools you can use to defend against fraud. Visit www.CreateTheGood.org/fightfraud/DVD or call 866-973-4672.
- **Become a Free Lunch Seminar Monitor** by checking out our How to Spot a “Free Lunch” Scam Guide and download the What to Listen for Checklist by visiting www.CreateTheGood.org/fightfraud or call 866-973-4672.
- **Fraud prevention brochure in Spanish: Cómo combatir el fraude financiero** www.SaveAndInvest.org/CombataFraude.

Explore Persuasion and Investment Fraud on a Deeper Level

- **Protecting Older Investors: 2009 Free Lunch Seminar Report** is based on extensive research done by AARP. It provides interesting insight on free lunch investment seminars from a consumer’s perspective. Visit www.aarp.org/money/scams-fraud.
- **Off the Hook Again: Understanding Why the Elderly Are Victimized by Economic Fraud Crimes** is a research report conducted by the Consumer Fraud Research Group that identifies the persuasion tactics con criminals use in investment scams. Visit www.SaveAndInvest.org/55Plus/Resources.



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- **Dr. Robert Cialdini's *Influence: The Psychology of Persuasion*** (revised edition, 2007) explains six universal principles, how to use them to become a skilled persuader and how to defend yourself against them.
- **Dr. Anthony Pratkanis' and Douglas P. Shadel's *Weapons of Fraud*** (2005) helps readers identify the underlying building blocks of today's most popular scams and prepares consumers to recognize and protect themselves from the scams of tomorrow.

MORE INFORMATION

CREATE THE GOOD

Create The Good (www.CreateTheGood.org) is a network of people sharing tools and ideas to help make a difference on their own or in larger groups in their communities. It is powered by AARP and the AARP Foundation's more than nine million volunteers, donors and activists. www.CreateTheGood.org offers local volunteer opportunities as well as ideas for self-directed activities and how-to videos for simple service projects people can organize on their own, like weatherizing homes, starting healthy walking groups, fighting fraud, preparing for a hurricane and other needs.

FINRA AND THE FINRA INVESTOR EDUCATION FOUNDATION

FINRA is an independent regulatory organization empowered by the federal government to ensure that America's 90 million investors are protected. The mission of the FINRA Investor Education Foundation is to provide underserved Americans with the knowledge, skills and tools necessary for financial success throughout life. FINRA and the FINRA Investor Education Foundation do not sell investment products, promote products or firms or offer specific investment advice.

The FINRA Foundation's Investor Protection Campaign, SaveAndInvest.org, is a targeted effort to reduce the incidence of investment fraud among older investors by teaching the tactics most commonly used by fraudsters and the simple steps every investor can take to reduce their risk.

To increase your fraud-fighting knowledge, please visit www.SaveAndInvest.org.