

# Red Flags of Investing Fraud

**We would all like to find a great investment that guarantees financial security, but unfortunately some offers are just too good to be true.**

**If an investment you're interested in sounds like any of the ones below, STOP! The investment might be a scam.**

## **GUARANTEED HIGH RETURNS - NO RISK!**

There is no such thing! No one can offer you a guarantee – all investing involves some level of risk. Usually, the higher the returns, the higher the risk. Do your homework - research advertised investment opportunities to lessen the risk of falling victim to a scam.

## **OFFSHORE INVESTMENT – TAX FREE!**

You can sometimes defer paying taxes, but you can't avoid them. This type of deal is often pitched as a secret, and for reasons you might not expect. By asking you to keep the deal to yourself, scam artists know you won't have to answer hard questions from family, friends or financial advisers who might see through the scam. If you are persuaded to send your money overseas, it may be difficult, if not impossible to get back if something goes wrong.

## **GREAT INVESTMENT OPPORTUNITY – YOUR FRIENDS CAN'T BE WRONG!**

Yes they can! Many investment fraud victims are introduced to the scam by family, friends or co-workers. This approach relies on the trust you place in your friends and the fear of missing out on a "too good to be true" opportunity. Scam artists target religious, ethnic, or close-knit groups by working their way into organizations and befriending members in order to rip them off. This is often referred to as "affinity fraud". Always check out any individual or company offering you an investment opportunity.

## **INSIDER TIPS - PROFIT LIKE THE EXPERTS!**

These scams are pitched as opportunities known only to a select few who are said to be making a lot of money. The scam artist convinces you that he or she has access to this inside information that the general public does not have. You might be invited to a seminar where salespeople make misleading claims about a secret or exclusive technique for building wealth. Look carefully at what exactly is being offered and conduct a background check with the ASC to find out if there has been any disciplinary action or enforcement action taken against the company and/or individual, and if they are registered.

## **DON'T MISS THIS OPPORTUNITY - GET IN NOW!**

Scam artists use this tactic to pressure you into making a quick decision and try to exploit your fear of missing out on a valuable opportunity. Take the time you need to research any investment opportunity and get independent third-party advice.

**Still unsure about an investment opportunity?** Consult a registered financial adviser or obtain independent legal advice before making a decision. Check First and do more research using the resources of the Alberta Securities Commission:

- [www.albertasecurities.com](http://www.albertasecurities.com)
- ASC Public Inquiries: 1-877-355-4488 or [inquiries@asc.ca](mailto:inquiries@asc.ca)