

# Avoiding Investment Fraud

**Each year billions of dollars are lost to fraudulent investments. Some of the most common include:**

- Illegal pyramids, insider trading, and unlicensed investment brokers
- High-risk “penny” stocks and fraudulent securities
- Fraudulent franchises and business opportunities
- Internet services, 900-numbers, and high-tech investments promising high profits and minimal risk
- Opportunities to invest in movie deals and other entertainment ventures with promises of guaranteed profits and failure to disclose risk

**To protect yourself from becoming a victim of investment fraud, take the following actions:**

- Become informed about investments and industries before investing
- Talk with others who have made similar investments
- Obtain information from state and federal regulatory agencies
- Never buy over the phone without first investigating the situation
- Avoid investment opportunities promising large returns in a short amount of time that seem “too good to be true”—they probably are.

**For additional information, contact the following websites:**

**[www.ftc.gov](http://www.ftc.gov); [www.fraud.org](http://www.fraud.org); [www.sec.gov](http://www.sec.gov); [www.nasaa.org](http://www.nasaa.org)**