

## TAKING ACTION:

# Investment Fraud Victim Recovery Checklist

Financial fraud is real and can be devastating. If you are a victim, you may be coping with the aftermath of a compromised identity, damaged credit, and financial loss, as well as a painful range of emotions including anger, fear, and frustration.

Full financial recovery may be difficult to achieve; however, it is critical that you report the crime as quickly as possible. Reporting any financial fraud, no matter how small, helps law enforcement, regulators, and government agencies put a stop to the fraud, prevent the victimization of more consumers, and pursue the criminals committing the fraud.

Very often, perpetrators will dispose of your money immediately after taking it. You may never get your money back. That said, your recovery is about more than lost money. It's about protecting your future financial health and assets and finding ways for you to recover emotionally from the crime.

We recommend taking the steps below to reclaim power from the fraudsters and help you move forward.

## STEP 1 - Create an Investment Fraud File

Start by collecting all relevant documentation concerning the fraud in one file that is kept in a secure location. The file should include:

- a contact sheet of the perpetrator's name, mail and email addresses, telephone numbers, and website address, as well as any of the fraudster's purported regulatory registration numbers;
- a timeline of events, which may span many years;
- the police report, if any;
- your most recent credit report from all three credit reporting companies (see text box on following page);
- any evidence of the fraud or deception;
- logs of any phone conversations, with dates, names and phone numbers of any representatives with whom you spoke, and notes on what information they gave you; and

- any other relevant documentation concerning the fraud.

## STEP 2 – Know Your Rights

You have rights imparted by federal and, in some cases, state law. Learn about your rights to better protect yourself.

- For federal victim rights, the U.S. Department of Justice provides information on victim rights at <https://www.justice.gov/usao/resources/crime-victims-rights-ombudsman>.
- For state victim rights, check with your state attorney general, whose contact information is available at [www.naag.org](http://www.naag.org).
- The North American Securities Administrators Association (NASAA) publishes the following “Investor Bill of Rights”: [www.nasaa.org/2715/investor-bill-of-rights](http://www.nasaa.org/2715/investor-bill-of-rights).

## STEP 3 – Report to Regulators

The entities below are the national, federal, and state regulatory agencies for investment products and professionals. You may benefit from reporting the fraud to as many agencies as apply.

### Financial Industry Regulatory Authority

9509 Key West Avenue

Rockville, MD 20850-3329

Phone: (301) 590-6500 – for all investors

Toll Free: (844) 57-HELPS / (844) 574-3577 – FINRA Securities Helpline for Seniors®

[www.finra.org/seniorhelpline](http://www.finra.org/seniorhelpline) – for senior investors

[www.finra.org/complaint](http://www.finra.org/complaint) – for complaints against brokers or brokerage firms

[www.finra.org/fileatip](http://www.finra.org/fileatip) – for tips related to suspected fraud

### U.S. Securities and Exchange Commission

Office of Investor Education and Advocacy

100 F Street, NE

Washington, DC 20549-5631

(800) SEC-0330

Fax: (202) 772-9295

[www.sec.gov/complaint.shtml](http://www.sec.gov/complaint.shtml)

## CREDIT REPORTING COMPANIES

[AnnualCreditReport.com](http://AnnualCreditReport.com) is the only official source for free credit reports. All consumers, regardless of a fraud alert, are entitled to receive one free credit report every 12 months from each of the following companies.

### EQUIFAX

(800) 685-1111

[www.equifax.com](http://www.equifax.com)

### EXPERIAN

(888) 397-3742

[www.experian.com](http://www.experian.com)

### TRANSUNION

(800) 916-8800

[www.transunion.com](http://www.transunion.com)

## North American Securities Administrators Association

(202) 737-0900

[www.nasaa.org](http://www.nasaa.org) – search for state-specific contact information

## National Association of Insurance Commissioners

[https://content.naic.org/state\\_web\\_map.htm](https://content.naic.org/state_web_map.htm) – search for state-specific contact information

<https://content.naic.org/consumer.htm> – for filing a complaint

## National Futures Association

Compliance Department – Customer Complaints

300 South Riverside Plaza, Suite 1800

Chicago, IL 60606

(312) 781-1300

Fax: (312) 559-3599

[www.nfa.futures.org/basicnet/Complaint.aspx](http://www.nfa.futures.org/basicnet/Complaint.aspx)

## U.S. Commodity Futures Trading Commission

Office of Cooperative Enforcement

1155 21 Street, NW

Washington, DC 20581

(866) FON-CFTC / (866) 366-2382

[www.cftc.gov/TipOrComplaint](http://www.cftc.gov/TipOrComplaint)

## FBI's Internet Crime Complaint Center

[www.ic3.gov](http://www.ic3.gov)

### ASSET FORFEITURE

Returning assets to victims of crime is a top priority of the **Department of Justice Asset Forfeiture Program**.

During the past decade, the victims compensation program has returned more than **\$5 billion in forfeited assets** to victims, through the granting of petitions for remission, or by transferring forfeited funds to courts for payment of restitution through restoration.

For more information, please visit the department's website at: [www.justice.gov/criminalmlars/victims](http://www.justice.gov/criminalmlars/victims)

## STEP 4 – Report the Fraud to Law Enforcement

Reporting the investment fraud to law enforcement is important to begin the recovery process, ensure the responsible parties are investigated, and prevent further damage to other individuals.

- **Local Law Enforcement** – Contact any local law enforcement office to file a police report. Ask for a copy of the police report, if possible.
- **District Attorney** – Contact your local district attorney's Office.
- **Attorney General** – Contact your attorney general's consumer protection unit and the prosecution unit to report the fraud. Find contact information at [www.naag.org](http://www.naag.org).
- **Federal Law Enforcement** – Contact your local FBI field office or submit an online tip at <http://tips.fbi.gov>. Look up your local field office at [www.fbi.gov/contact-us/field](http://www.fbi.gov/contact-us/field).

## STEP 5 – Report the Fraud to the Federal Trade Commission

Lodging a complaint with the Federal Trade Commission, using the FTC's complaint assistant, will enter the fraud into the Consumer Sentinel Network so that law enforcement can stop ongoing fraud and track these crimes. *This process will not initiate a criminal investigation of your case.*

### Federal Trade Commission Complaint Assistant

(877) FTC-HELP

[www.ftccomplaintassistant.gov](http://www.ftccomplaintassistant.gov)

## STEP 6 – Consider Civil Remedies

You may be able to recover some of your lost assets through arbitration, mediation, or a civil lawsuit. If a securities broker is involved in the fraud, you may file an arbitration claim with or without an attorney. FINRA offers an overview of the dispute resolution process ([www.finra.org/optionsforinvestors](http://www.finra.org/optionsforinvestors)).

In some cases, the best potential for recovery of lost assets is through civil suits. Civil attorneys who work for victims of financial fraud can analyze the particular facts and circumstances of your case and counsel you on the available civil remedies. You should be aware that civil lawsuits take time, and even if you prevail, it can be difficult to collect on a judgment, especially if money or other assets have disappeared.

The National Crime Victim Bar Association and the Public Investors Arbitration Bar Association ([www.piaba.org](http://www.piaba.org)) can provide referrals to attorneys who litigate on behalf of victims of crime or injured investors, respectively, who may offer you an initial consultation at no cost or obligation.

### ATTEND TO YOUR HEALTH

The toll of financial fraud may extend well beyond lost money.

FINRA Foundation research indicates that nearly **two-thirds of fraud victims experience at least one severe emotional consequence**—including stress, anxiety, insomnia, and depression.

If you are suffering in the aftermath of a financial crime, seek help. Many mental health professionals offer services on a sliding-fee scale.

## National Crime Victim Bar Association

For a referral, email: [attorneyreferrals@victimsofcrime.org](mailto:attorneyreferrals@victimsofcrime.org)

Find more information about civil justice at [www.victimbar.org](http://www.victimbar.org).

In addition, some law schools provide services to victims in the form of investor advocacy or securities arbitration clinics. Search the FINRA ([www.finra.org/FindAnAttorney](http://www.finra.org/FindAnAttorney)) or SEC ([www.sec.gov/answers/arbclin.htm](http://www.sec.gov/answers/arbclin.htm)) website for a list of clinics.

## STEP 7 - Follow Up

Review the steps you've taken and follow up after 30 days with any law enforcement agencies or organizations that serve victims.

## PREVENTION TIPS

Once you have been a victim of investment fraud, you may be targeted more frequently for other scams, especially if your information or identity may have been compromised.

### Protect Yourself:

- Learn to recognize the red flags of persuasion in sales pitches. Start at <https://www.finra.org/investors/protect-your-money>.
- Reduce exposure to sales pitches and use care with free lunch or dinner seminars.
- Develop a "refusal script."
- Read and save financial account statements, and verify information is consistent with your records:
  - Investments are as expected.
  - All trades were authorized, and the dates align with your notes.
  - Fees are disclosed and as expected.
- Assess your tolerance for risk. Can you afford to lose some or all of the amount you invested?

### Ask:

- Before working with a broker or other financial salesperson, ask:
  - Who licensed you to sell financial products? Are you a licensed broker? If not, why not?
- Before buying an investment product:
  - Is this investment registered with the U.S. Securities and Exchange Commission (SEC)? What are the risks? What could go wrong?

## Check:

- Before working with a financial salesperson, verify that he or she is indeed licensed with the registering agency and that the salesperson's license is up to date. Check the licensing status, employment history, and disciplinary history (if any) of:
  - Brokers and brokerage firms using FINRA BrokerCheck: [www.finra.org/brokercheck](http://www.finra.org/brokercheck)
  - Investment advisers using the SEC's Investment Adviser Public Disclosure Database: [www.investor.gov](http://www.investor.gov)
  - Brokers, firms, and investment advisers by contacting your state securities regulator: [www.nasaa.org](http://www.nasaa.org)
  - Insurance agents by contacting your state insurance regulator: [www.naic.org](http://www.naic.org)
- Before buying an investment product, verify that the investment is registered with the SEC. Go to [www.investor.gov](http://www.investor.gov). If you were informed the investment is not registered, learn how you can verify information with a third party that does not have a vested interest in the investment.