

Affinity fraud warning signs

Warning signs

These are some of the warning signs securities regulators see in affinity frauds:

1. The con artist may tell you the investment is exclusive and available only to 'those in the know' or those within the particular faith or culture. Secrecy offers are one of the warning signs of a scam.
2. Watch out for investments that seem closely tied to a particular religious or other group belief. It does not make sense that an investment opportunity would be available only to members of a specific church or faith.
3. The scam artist may state that the investments or financial advisors have a religious connection. Even if the advisor has a connection to your church or faith, you should check to see if they are [registered](#).
4. A new member of your group who begins talking about wealth-building investments is someone to be cautious about. Do a [background check](#) on this individual and ask them pointed questions.
5. The scam artist may claim that religious-based investments are not regulated. Religious-based investments are no different from other investment products. The seller and the investment must follow the rules and regulations for the type of product they are selling.
6. The fraudster will try to rush you into making a decision. If someone is pressuring you to make a decision, be suspicious. It's okay to say 'no'.

7. A scam artist will discourage you or other investors from seeking independent advice. Your best bet is not to listen. Take the time to seek professional advice from a neutral, outside expert, such as a lawyer, accountant, investment counselor, banker, or a securities commission.

8. Is it a secret? If so, why? Real investments are not kept quiet or secret.

9. Are they using your ethnicity, religion, occupation, or something else they claim to have in common with you to gain your trust or as a feature of the investment? Ask the same questions you would ask if the person didn't share your religion, culture, or job.

Prevention

If you think a friend, family member, or group you belong to is the target of an affinity fraud, here are some questions for you to consider:

1. Is there a new person in their life who they depend on for advice? Scammers will become the best and most trustworthy friend of someone they can con. Check [Know who you are dealing with](#) section.


2. Do they mention they are helping out a friend or caregiver? A con artist may be a friend or caregiver who is telling your loved one that they are going through hard times. Check the [Identify con artists](#) section.

3. Are they suddenly not spending money or going out anymore? Many times a person who has been scammed can't afford to attend social functions anymore.

4. Are they ignoring family or avoiding friends? When a person has been scammed, they are usually very embarrassed and do not want to tell anyone

about it. They might start avoiding the scam artist who has infiltrated a group or organization the person attends.

5. Are they not keeping up their house or taking care of themselves? If someone has gone into debt or spent all of their savings because of a bad investment, they may not have the income or savings to continue the upkeep of their house or their lifestyle. Some people may even stop taking care of themselves, and end up ill.

Familiarize yourself with investment schemes and the red flags of a scam by visiting our [Common investment schemes](#) section and our [Scam warning signs](#) section. Also, learn about how fraudsters work by looking at our [Identify con artists](#) section. For a handy print-out to post on the fridge or share with friends, download [Telltale signs of investment fraud](#) .

Report it

Even if you are not considering an investment or haven't given your money to a person selling the investment, take the time to bring suspicious activity to our attention. Your care and attention may save a friend, family member or member of your community from falling victim to a scam artist.

In Nunavut, contact the Office of the Superintendent of Securities (Department of Justice: Legal Registries Division). You can also anonymously report suspicious activity through InvestRight's [Report a scam](#) webpage.

Residents from other Canadian provinces can find contact information for their provincial securities regulator at <http://www.securities-administrators.ca/>.

Source

British Columbia Securities Commission (Vancouver) www.investright.org