



NASAA Leads Fight Against Elder Financial Exploitation

NASAA joined forces with physicians and adult protective services organizations to launch a new initiative to increase awareness among doctors and medical professionals of an under-recognized and underreported form of elder abuse: financial fraud.

More than 7.3 million older Americans – one out of every five citizens over the age of 65 – already have been victimized by a financial swindle, according to a new Investor Protection Trust (IPT) survey conducted by Infogroup/ORC.

“Elder financial abuse is becoming the crime of the 21st century,” said NASAA President and Texas Securities Commissioner Denise Voigt Crawford. “The success of a Texas pilot program to train medical professionals to identify and report the signs of elder financial abuse to the Texas State Securities Board encouraged NASAA to form partnerships to expand this education and awareness campaign nationwide.”

The Senior Outreach Project Group of the NASAA Investor Education Section developed partnerships

with IPT and the National Adult Protective Services Association (NAPSA), in cooperation with the American Academy of Family Physicians, the National Area Health Education Center Organization and the National Association of Geriatric Education Centers, to educate medical professionals and other caregivers about how to identify seniors who may be vulnerable to financial abuse. Professionals who provide front-line elder care will learn how to refer at-risk seniors to the appropriate authorities, whether it is to report investment fraud to securities regulators, suspected abuse to adult protective services workers or symptoms of mild cognitive impairment to physicians.

“Investment fraud against seniors too often goes unreported, but by teaming up with clinicians and adult protective services workers to give voice to the silent victims, state securities regulators will have more information to investigate and prosecute those who financially exploit our nation’s seniors,” Crawford said.

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Building Bridges: NASAA Begins Latino Outreach Effort

NASAA’s Affinity and Military Outreach Project Group, with support from the New Mexico Securities Division, reached out to Latino investors in July at the 2010 national convention of the League of United Latin American Citizens (LULAC) in Albuquerque, N.M. Nearly 10,000 people attended the two-day event.

NASAA has worked with partner organizations in the past to create Spanish-language versions of popular investor education resources, including “Taking the Mystery Out of Retirement” with the Department of Labor and “Understanding Your Brokerage Account Statements” with the SIFMA and SIPC.



Asdrubal Aponte (PR) and Bernice Geiger (NM) talk with attendees at the 2010 national convention of the League of United Latin American Citizens (LULAC) in Albuquerque, N.M. in July. A new NASAA display set the backdrop for the Affinity and Military Outreach Project Group’s newly intensifying efforts to reach out to Latino investors.

NASAA representatives were on hand at LULAC to distribute bilingual investor education materials, answer attendee questions and network with Latino community leaders.

Asdrubal Aponte, Puerto Rico’s securities administrator and director of enforcement, and Dan Lord, chair of the affinity project group, met with LULAC President Rosa Rosales, as well as LULAC’s national education chair. Gena Wilimitis, chair of NASAA’s Women in Transition Outreach Project Group, joined Lord at the LULAC Women’s Luncheon. Lord also represented NASAA at the Armed Forces Award Breakfast.

About NASAA's Investor Education Section

Recognizing that education is a key weapon in the fight against investment fraud, the NASAA Investor Education Section was created in 1997 to help support the financial education efforts of the NASAA jurisdictions.

2009-2010 IE Section

Tung Chan, Hawaii, Chair; Colleen Keefe, Kentucky, Vice Chair; Lynne Egan, Montana; Theodore Miles, District of Columbia; Diane Young-Spitzer, Massachusetts; Elizabeth Block, New York; Marissa Rignanesi, New Brunswick

2009-2010 Project Groups

Affinity and Military Outreach (*Dan Lord, Alabama*)
Informed Investor Outreach (*Diane Young-Spitzer, Massachusetts*)
Research and Coordination (*Andrew Roth, California*)
Senior Outreach (*Christina Kotsalos, Pennsylvania*)
Women in Transition Outreach (*Gena Wilimitis, New Mexico*)
Youth Outreach (*Vickie Moseley, Illinois*)

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Project Groups Unveil New Outreach Materials for Investor Educators at NASAA's Annual Conference

The NASAA Investor Education Section is slated to unveil several new programs developed by its project groups at NASAA's annual conference in Baltimore, Maryland, in September.

The Youth Outreach Project Group created a free educational tool for use in middle school classrooms called the Live "Stock" Adventure, which reinforces grade-level math skills and familiarizes students with the risks and rewards of investing.

The Women In Transition Outreach Project Group developed a program that provides specialized investor education for women investors experiencing financial transitions such as job loss or divorce.

The Informed Investor



NASAA President and Texas Securities Commissioner Denise Voigt Crawford (right; pictured with Janice Johnson, president of The Transition Network) introduces NASAA's new Women In Transition outreach program to a group of New York personal finance reporters and women's magazine editors. Journalists representing the Wall Street Journal, Money magazine, Redbook, Brides magazine and others attended the exclusive June 22 luncheon to learn more about how state securities regulators can help empower women to avoid investment fraud and invest wisely.

Outreach Project Group drafted two new investor alerts on gold investments and peer-to-peer lending to accompany the first two alerts in the informed investor series, which explained derivatives and annuities. The Informed Investor series addresses topical securities issues of interest to more experienced investors.

The Research and Coordination Project Group has created a one-page resource guide to help NASAA jurisdictions take advantage of these new products and the full array of investor education resources.

NASAA members and jurisdiction staff can access the resource guide and download investor education outreach materials from the NASAA website at www.nasaa.org.

Utah Cracks Down on Con Artists



The Utah Division of Securities has teamed up with other state and federal officials to combat

investment fraud. The Utah Fraud Task Force is waging an education and awareness campaign to help Utah investors protect themselves from fraud. Religion-based affinity fraud is particularly prevalent in Utah since so much of the population shares membership in the Church of Jesus Christ of Latter-day Saints.

The Utah Fraud Task Force hosted a one-day "fraud college" on June 30 to educate the public about investment schemes and how to avoid them. The securities division created a billboard ad campaign (pictured above) to encourage Utahns to investigate before they invest by visiting the division's website.

States Reach Out to Senior Investors

The Oregon Department of Consumer and Business Services aired a series of public service announcements (pictured, right) throughout the state in June and July to help educate investors age 55 and older about avoiding fraud and making good investment decisions. Funded through a grant from the Investor Protection Trust, the PSAs are part of an ongoing effort to help Oregonians outsmart fraud.



The North Carolina Secretary of State's Securities Division reached out to seniors with tips for avoiding investment fraud at the 13th annual "Aging with Gusto" Conference on June 24 in Yanceyville, N.C. The North Carolina State University's Family & Consumer Sciences sponsored the event, which brought together seniors from several North Carolina counties to take advantage of valuable information from a wide range of experts. The securities division gave a presentation entitled "Madoff Missed Your Money - Will the Next Scammer?" and distributed literature and answered questions throughout the day-long event.

Indiana Students Learn to Spot Scams



Indiana Investor Education Coordinator Melanie Woods talks to BizCamp students about investment fraud. Five of the students fell victim to a simulated investment scheme.

Students attending Junior Achievement of Central Indiana's BizCamp learned a tough lesson about the dangers that can lurk in the mailbox.

BizCampers spend each afternoon of the week-long financial-themed camp in BizTown, where they hold jobs, earn paychecks and learn money management skills. But for the second year, staff from the Indiana Securities Division demonstrated just how easy it is to lose their hard-earned cash to an investment fraud.

Each student received a letter in the mail promoting an opportunity to invest in a video game company. The letter mimics the tactics of real-life fraudsters, promising to double the student's money and guaranteed returns. Investors are asked to mail checks to a P.O. box in BizTown.

The next day, Indiana Securities Division staff hold a town hall meeting in BizTown to reveal that the letter was a scam and discuss how students can spot and steer clear of investment frauds. Students learn about the securities division's role in investigating cases of fraud and are encouraged to discuss what they learned with their parents and take home a handout with more information.

The Indiana Securities Division has received positive feedback from the students and Junior Achievement of Central Indiana. North Carolina is interested in replicating the investment fraud activity at their BizCamp, and other state securities regulators are encouraged to contact the Indiana Securities Division to learn more about bringing this youth outreach effort to their jurisdictions.



NASAA

About NASAA

The North American Securities Administrators Association (NASAA) is a voluntary association of securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada and Mexico. Organized in 1919, NASAA is the oldest international organization devoted to investor protection and education.

National Partners

NASAA represents its members at meetings of the American Savings Education Coalition (ASEC), the Jump\$tart Coalition for Personal Financial Literacy, the U.S. Treasury's Financial Literacy Education Commission (FLEC), the National Financial Education Network and the President's Advisory Council on Financial Literacy. Keep up with the latest developments in national investor education initiatives by contacting Leah Szarek, NASAA's Assistant Manager of Communications and Investor Education, at ls@nasaa.org.

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Canadian Provinces Use Celebrity Voices, Social Media to Fight Investment Fraud

Quebec's provincial securities regulator, the Autorité des marchés financiers, launched a television ad campaign featuring well-known television talk show host - and investment fraud victim - Guy Mongrain. The television spot aired from November 2009 to March 2010 in French on major Quebec and national TV stations. A radio ad aired in English on Montreal-area stations urging investors to investigate before they invest.

The British Columbia Securities Commission (BCSC) employed social media to help shut down an online-based investment scheme. Responding to a tip, the BCSC launched a joint effort with Canadian and international securities regulators against Genius Funds, a high yield investment program (HYIP) that turned out to be a Ponzi scheme promising impossible returns. Genius Funds was being promoted to thousands of investors on HYIP sites, Twitter, Facebook and YouTube.

In February, the BCSC staff issued a formal notice of hearing and began a social media information campaign to warn investors that this was probably a Ponzi scheme. The regulator's warnings topped search engine results for Genius Funds, allowing the information to reach potential Genius investors before they clicked through to the scam. The warnings also prompted current investors to begin asking for their money back.

The BCSC sent a message to the HYIP community that regulators are paying attention to these online scams and are ready to deploy new social media tools to shut them down. The Genius website mysteriously disappeared in early March. On April 7, a BCSC panel banned Genius Funds from selling securities.

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NASAA and its partners have produced two new resources: **Clinician's Pocket Guide:** A quick reference tool for medical practitioners outlining the red flags of investment fraud, tips for discussing financial capacity with senior patients and resources for reporting suspected abuse.

Patient Brochure: An investor education resource for senior patients and their families highlighting ways to protect themselves from elder financial fraud and where to get help.

The new materials complement last year's NASAA-NAPSA brochure, "ABCs for APS Professionals," which was designed to help educate adult protective services professionals about the signs of elder investment fraud and how to report suspected cases to state securities regulators. NAPSA has been NASAA's partner in the fight against elder financial

abuse since 2009.

NASAA members may access these materials from the NASAA website and customize them for use in their jurisdictions.

The nationwide rollout of the clinician and patient awareness campaign coincided with World Elder Abuse Awareness Day on June 15, a global initiative to raise awareness of all forms of senior mistreatment.

NASAA President Crawford joined IPT's Don Blandin, NAPSA Executive Director Kathleen Quinn and two members of the survey research firm at a media teleconference to announce the launch of the program and take media questions. The news event generated positive media coverage in the Washington Post, the Wall Street Journal, the Chicago Tribune and many other national and regional publications.