

Investment Scams Aimed at Seniors

According to the nonprofit North American Securities Administrators Association, the single biggest red flag should be anybody who promises low risk and high return! Watch out. Those two things do not exist together.

Here are some typical investment scams:

- Access to the investment portfolios of the world's elite banks or Saudi royalty, for example, *and big returns*. Don't believe it.
- Investment seminars are designed to make money through admission fees and the sale of books and audiotapes. Mostly, it's the people who run them who get rich!
- Appeals to members of a group, religious or ethnic, are sometimes used to gain trust and steal life savings through "gifting" programs for various "causes" that are not real. Another popular ethnic scam is participation in foreign money exchange schemes.
- Short-term promissory notes, issued by little known or non-existent companies, promising huge returns and no risk! There is no risk that you will not lose on this investment!
- Investments in oil and gas wells, always around but probably about to get more play now. Often promoted as "can't lose" deals—don't believe it.
- Investments in "senior settlements" that are promised to be paid out from death benefits. Interests in "healthy" older people, last year topped the \$2 billion mark and there is a good chance that they will outlive the investors!
- Equipment leasing can be a legitimate investment, but many have been bilked through investments in ATMs and payphones that promised much more than they ever delivered. Be careful.
- Pyramid (or Ponzi) schemes still attract many suckers, in spite of the bad publicity they have received over the years. Typically people get involved because they know someone who got a huge payment. That only works for the first investors; you get excited, you invest your life savings, you lose!

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