

CONTACT Claire McHenry, Deputy Director – Securities Bureau
PHONE 402-471-3445
EMAIL claire.mchenry@nebraska.gov

PROTECT YOURSELF FROM INVESTMENT FRAUD

Sept. 11, 2018 (LINCOLN, NEB.) — If you are looking at an investment opportunity, the Nebraska Department of Banking and Finance (NDBF) urges you consider this first: Americans lose billions of dollars to fraud each year. A little extra effort can help you protect your money. While the details of investment scams constantly change, common warning signs, or red flags, are often present. Watch out for:

- **Guaranteed high returns** – a guarantee is only as good as the person offering it, and their credit rating.
- **Low risk and high returns** – if it is a high return investment, you are putting your money at risk.
- **Offshore investment opportunities** – if you send your money offshore, you lose the protection offered by state securities laws.
- **Tax loopholes** – you will still have to pay taxes, even after you lose your money.

If you are offered an investment opportunity, consider these questions:

- **Are you dealing with a licensed financial adviser or broker?** Anyone selling securities or offering investment must be registered with NDBF or operating under an exemption. Call NDBF or go to brokercheck.finra.org to check their registration and background.
- **Do you understand how the investment works?** Scam artists rely on your lack of knowledge to make money. Seek independent advice and verify what you have been told. Get terms of the deal in writing and keep copies.
- **Have you had enough time to make a decision?** Take your time. Do not give in to high-pressure sales tactics.
- **Do you understand how the salesperson makes money?** Ask questions about what commissions the sales person will receive and whether they have any of their own money invested in the venture.

If you have answered no to any of these questions, investigate further.

More information about the laws governing the securities industry in Nebraska can be found on NDBF's website at www.ndbf.nebraska.gov. If you have questions about any investment matter, call NDBF's Consumer Hotline toll free at (877) 471-3445 in Nebraska, or (402) 471-3445 if you are out of state.