



To check on the license and complaint history of an investment professional or product, call the **Department of Financial Services** toll-free at

**1-877-MY-FL-CFO**  
(1-877-693-5236)

TDD for Hearing Impaired Consumers:  
**1-800-640-0886**

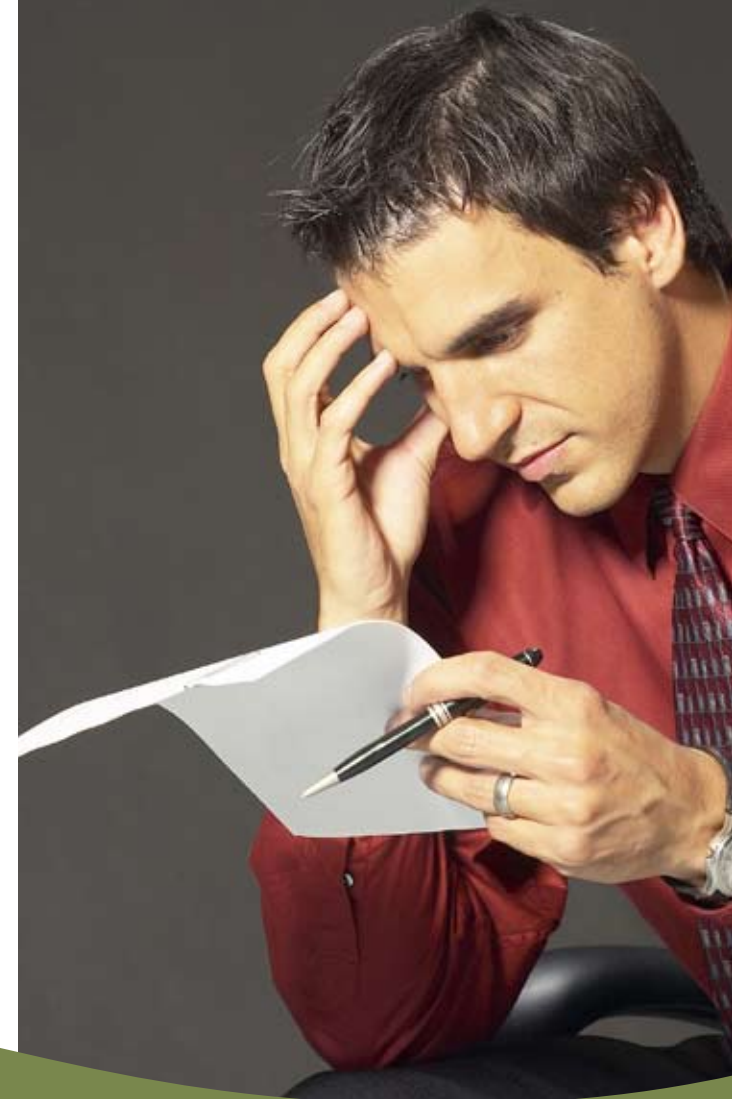
Visit the Department's Web site at  
**[www.MyFloridaCFO.com](http://www.MyFloridaCFO.com)**



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# Avoid Affinity **FRAUD**



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Race, culture and religious beliefs play an important role in identifying us as members of groups we come to trust. Unfortunately, criminals too often take advantage of that trust to cheat people out of their hard-earned savings.



Called “affinity fraud,” the scammers these people use prey on members of churches, ethnic communities, the elderly or professional groups.

Often the con artists are members of the group, but they may also enlist unwitting community or religious leaders by convincing them that a fraudulent investment is legitimate.

A common pitch involves selling first to a few prominent members, then marketing the scam to the group by using the names of those previously sold.

Whenever an investment is being pitched to you, get outside help. Some easy ways to avoid affinity fraud include:

- **Independent verification:** Never make an investment based solely on the recommendation of a member of an organization, religious or ethnic group to which you belong. Remember that the person telling you about the investment may have been fooled into believing it's legitimate.
- **Wariness about the use of group names or testimonials:** Scam artists frequently pay out high returns to early investors using money from later arrivals. Accordingly, early investors — including friends you've known for years — may be wildly enthusiastic about a scheme that may collapse entirely once you've invested. Get a neutral expert not in your group — an accountant, attorney or financial planner — to evaluate the investment. Always call the Department of Financial Services toll-free at 1-877-MY-FL-CFO (1-877-693-5236) to find out if the company, broker and investment are legitimately registered, and if they have a complaint history.
- **Patience:** Take your time, and avoid an investment if you are pushed to invest without knowing all the details. You should also be suspicious if you are told to keep the investment opportunity confidential. Get a written prospectus and understand the risks.
- **Don't believe a promise of guaranteed returns.** If an investment seems too good to be true, then it probably is. Just because someone you know made money, or claims to have made money, doesn't mean you will too. Be especially skeptical of investments that are pitched as “once-in-a-lifetime” or “ground-floor” opportunities, particularly when the promoter bases the recommendation on “inside” or confidential information.