

Dear Colleague and Fraud Fighter:

The FINRA Investor Education Foundation is proud to offer its *Outsmarting Investment Fraud* program as a resource for organizations and individuals working to protect citizens from financial fraud. This research-based program was developed in collaboration with AARP, state securities regulators and noted fraud experts to arm investors with the tools and knowledge needed to recognize and prevent investment fraud.

The materials in this toolkit—including the fully-interactive *Outsmarting Investment Fraud* curriculum and the “Tricks of the Trade: Outsmarting Investment Fraud” hour-long film covering the curriculum presentation—are the product of extensive research and testing. They have been designed to help investors:

- Realize they are vulnerable to financial fraud;
- Identify persuasion tactics used by fraudsters; and
- Reduce risky behaviors by asking the right questions and verifying the answers.

Investment fraud affects thousands of Americans and accounts for billions in lost savings every year. Research funded by the FINRA Investor Education Foundation shattered stereotypes when it revealed that a majority of investment fraud victims are not who you might think—they are financially knowledgeable, highly educated and self-reliant when it comes to investment decisions. Moreover, research found that a majority of investors ages 55 to 65 do not perceive themselves as vulnerable to investment fraud; yet many engaged in investment behaviors that put them at risk.

The truth is, regardless of age or circumstance, anyone with money is bound to hear from a fraudster at some point. But there are simple steps every investor can take—such as checking to see if a financial professional is licensed or a product is registered—to protect their finances before making any investment decision.

With millions of Baby Boomers entering retirement, we need dedicated efforts to reduce the incidence of investment fraud—and we know that the materials in this toolkit work. In fact, we found in testing this program that individuals who participated in an *Outsmarting Investment Fraud* curriculum session were 50 percent less likely to respond when later approached by a fraudster.

Whether you represent a state securities regulator or belong to a local civic organization, you can make a difference when it comes to preventing investment fraud. We hope you will use the resources in this toolkit and at www.SaveAndInvest.org to highlight this issue, engage individuals and partner organizations in investment fraud prevention activities and enlist more “fraud fighters” in your community. Thank you for your commitment and dedication to this effort.

Sincerely,



Gerri Walsh
President, FINRA Investor Education Foundation