

## HOW TO USE THE *OUTSMARTING INVESTMENT FRAUD* CURRICULUM

Developed by experts in the field of fraud and persuasion, the *Outsmarting Investment Fraud* curriculum combines a moderated presentation with hands-on learning activities. Learning activities include an investor risk quiz and persuasion spotting exercises. A version of the presentation includes video clips, which range from interviews with fraud victims and convicted con criminals to staged demonstrations of persuasion tactics. At the conclusion of the program, participants are deputized to share the message with their friends and family.

The curriculum is divided into three primary sections, preceded by an introduction, which provides an overview of significant research on why investors fall prey to investment fraud. Three different lines of research have been pursued: victim profiling, persuasion tactics and curriculum testing. The introduction also discusses the size and impact of the investment fraud problem.

### 1. Understanding investment fraud risk factors.

The learning objective for this section is for participants to know the risk factors that open them up to investment fraud. The presentation unveils victim demographic research and the video presentation includes a video interview with an unlikely investment fraud victim: a stockbroker. Research suggests that the vast majority of investors do not perceive themselves as personally vulnerable to investment fraud. The Investor Risk Quiz is used in this section to help participants recognize the behaviors they may engage in that raise their risk of becoming a victim. Have participants fill out the quiz before the program begins. Then, during this part of the presentation, discuss or call attention to the Investor Risk Quiz Score Sheet to have participants calculate their own personal risk score.



### 2. Learning to spot persuasion.

The learning objective for this section is for participants to know and recognize the most common persuasion tactics used in investment fraud. The presentation details the five most frequently used tactics and teaches the red flag rules associated with each. Videos included in the video-specific presentation are incorporated to clearly and humorously demonstrate the tactics. Finally, participants engage in an exercise that tests their new persuasion literacy skills.

### 3. How to prevent investment fraud.

The learning objective for this section is for participants to know the most powerful fraud prevention strategies. The presentation outlines three simple steps investors can take to prevent investment fraud, with a focus on asking questions and checking information. A final video in the video-specific presentation is used to model the wrong way—and then the right way—to respond to an unsolicited investment pitch.

The full 60-minute, interactive curriculum was field-tested in April 2008 and March 2009 in order to gauge the curriculum's effectiveness in increasing resistance to investment fraud. Results of the field tests demonstrate that the *Outsmarting Investment Fraud* curriculum reduced responsiveness to a fraud appeal by more than fifty percent.

The *Outsmarting Investment Fraud* curriculum is available in several formats to accommodate varying time allotments, audience sizes and levels of access to technology. The program may be presented in either 30 or 60 minutes and with or without video. For presenters without access to audiovisual resources, a hard-copy flip chart is available upon request. Previews of the curriculum are available in this toolkit. To receive a copy of the *Outsmarting Investment Fraud* curriculum, speaker notes and the Investor Risk Quiz and Score Sheet, contact the FINRA Investor Education Foundation at (202) 728-6964 or ***InvestorEducation@finra.org***.