

## SCAM ALERT! INVESTMENT CONS TO WATCH OUT FOR NOW

You'd never fall for an e-Mail message selling shares in a diamond mine in Nigeria, but what if your own trusted broker tried to sell you a stake in a vodka enterprise in Moscow? You might not be so suspicious.

These so-called "off the book deals" — offered by an adviser you consider reliable, in an off-the-record kind of way — are among this year's top investor traps, according to the **North American Securities Administrators Association (NASAA)**. (And for your information, a broker in Missouri was busted last March for allegedly selling shares in a Russian vodka stand deal and raising \$2 million.)

Other ploys to watch out for:

**Green Schemes**. Con artists often sell phony investments that play on hot news topics.

This year, more people seem to be falling for green energy fraud, says Bob Webster, a spokesperson for NASAA. "People have a renewed interest in alternative energy sources, thanks to the Gulf oil spill, and scammers are taking advantage of that."

**Friendly Fake-outs**. Bernard Madoff perfected this con, often known as affinity fraud.

The scam artist targets respected members of a community (company, golf club, church, etc.) with an investment product. "The investment pays off as promised — then they go back out and tell their friends in good faith: Hey, this worked for me," says Webster.

**How to protect yourself from con games?** "Always verify any investment opportunity, no matter who is pitching it to you," says Webster. To check whether a certain investment product — or the person selling it — is properly licensed, contact your local securities regulator.

And even if you're convinced that you'd never be so gullible, take NASAA's investor awareness quiz. Just in case.

(Source: *CNN Money*: 19 August 2010)