

Check things out **before** you write the check.

### How to Do Your Research

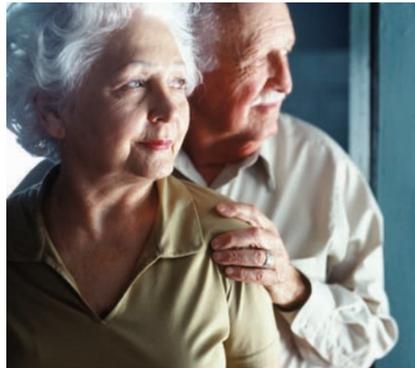
People offering honest investments welcome questions and will give you the time to do some research.

- Check the product. Most investments must be registered with state securities regulators or with the SEC.
- Check the person. People selling most investments must be licensed by state regulators or with the SEC.
- Read everything you can. Get on your computer or go to the library and look up articles about the product being offered and the person offering it.
- Don't be pressured to act quickly. Be ready to say, "I'm not making a decision today."

### Who to Contact

To check on an investment offer or salesperson, or to file a complaint, contact your state securities regulator. You can find state regulators at:

- [www.nasaa.org](http://www.nasaa.org) (click "Contact Your Regulator")
- **1-888-OUR-AARP**  
(1-888-687-2277)



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The AARP Foundation is AARP's affiliated charity. Foundation programs provide security, protection and empowerment for older persons in need. Low-income older workers receive the job training and placement they need to re-join the workforce. Free tax preparation is provided for low- and moderate-income individuals, with special attention to those 60 and older. The Foundation's litigation staff protects the legal rights of older Americans in critical health, long-term care, consumer and employment situations. Additional programs provide information, education and services to ensure that people over 50 lead lives of independence, dignity and purpose.

Foundation programs are funded by grants, tax-deductible contributions and AARP.

The Campaign for Wise and Safe Investing™



## Smart Investing:

Take *Charge*  
Before a Bad Deal Takes You



The Campaign for Wise and Safe Investing™



POCKET  
KEY LINE →



*When Maria sold her home, she wanted to invest the cash in a way that would offer a good return to support her retirement. A friend suggested a broker who persuaded her to make a short-term investment in a small company. It was a sure thing, he said, guaranteed by the government. She would get at least 20 percent interest, he claimed. Maria signed the papers and handed over \$100,000. But within a couple of months, the company went bankrupt, the broker—who turned out not to be a broker at all—disappeared, and Maria’s money was gone.*

Warren Buffett, one of the most successful stock investors ever, once said, “Risk comes from not knowing what you’re doing.” He might have said, “It’s risky to rely on trust rather than homework.”

As long as people have money, other people will be looking for ways to try to get it from them. Thousands of people lose millions of dollars to investment fraud and inappropriate investments every year—young and old, rich and poor, more or less educated. Many people think they won’t be targeted because they are savvy investors or are adept at reading others. But when it comes to investment fraud, the victims—and the scammers—have many faces.

To help have a secure and comfortable retirement, each of us should plan to invest. But there’s a difference between investing and gambling. Often, that difference may come down to the homework that we do before we put our money down. Knowing who and what to look out for, as well as what types of investments are right or wrong for each of us, can help us

*Are you*  
**investing**  
*or*  
**gambling**  
**?**

*Scammers are*  
**doing their work.**

*Are you doing*  
**yours**  
**?**

make wise and safe investment choices and help protect us from investment scams. The scammers are working hard to take our money. Shouldn’t we work smart to keep it away from them?

**Too Good to Be True**

Con artists follow the headlines to come up with stories about the next big money maker. They may offer amazing high-return investments, “rare” gold coins, variable annuities that don’t meet the needs of the investor, or worthless oil and gas leases. These offers seem too good to be true... and they are.

Scammers are in the business of gaining your trust. A con artist may have an impressive string of initials after his name, a nice office with diplomas on the wall, and “experts” at hand to back up what he’s saying. She may be a broker your friends swear by, an insurance agent you’ve known for years, or a persuasive financial advisor. He may be someone you’ve met at a religious or social event. But some scammers find their marks through unsolicited emails, advertisements, telephone calls, or free investment seminars.

The products may change, the pitch may sound fresh, but the deals usually share common traits that should send up red flags. Some of these red flags are promises of very high returns, guaranteed profits, or pressure to act quickly. By knowing the scammers’ tricks of the trade, each of us can become a wiser investor and avoid scams.



POCKET  
KEY LINE →