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For information about fraud and scams or to schedule a presentation about fraud related issues and prevention contact:

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Consumer Advisory

Don't Trust a Leprechaun Promising a Pot of Gold

St Patrick's Day is around the corner and so are fraudsters! The leprechaun plays several roles in Irish folklore; he is principally a roguish trickster who cannot be trusted and will deceive whenever possible. They aren't much different from scammers whose promises of get rich quick investment opportunities end up being too good to be true.

Sadly, everyone is at risk when it comes to money fraud schemes; but you can protect yourself if you learn how to recognize how these scammers operate. Investment scammers get to know how you operate and all about you by becoming your "friend." They are specialists in getting you to chat about your family, friends and interests and once they know all about you; they can begin to tailor their pitches to match the psychological profiles of their target... that would be YOU.

Masters of persuasion, their pitches take form using one of five psychological and well-rehearsed tactics. If you are not prepared to know what to listen for, you'll never know what hit you. Be very wary if your new BIFF, (Best Investment Friend Forever) uses any of the following persuasion tactics:

1. **Phantom Riches** – Is he dangling the prospect of wealth, 'guaranteed to produce exponential return on investment'?
2. **Sources Credibility** – Do you sense that he is trying to build his own credibility by inflating the firm he is with or his own credentials?
3. **Social Consensus** – Name dropping? Statements like: "this is how so-and-so got *his* start", should be an early warning sign.
4. **Reciprocity** – Using phrases like, "I'll reduce my commission if you buy now." Or, if you find yourself at a 'free seminar providing a free dinner or lunch'... pass on the good food and ask for them to pass the facts of the investment.
5. **Scarcity** – Is he creating a false sense of urgency by claiming 'limited supply'?

Let's face it; there are no get-rich quick opportunities out there. Try to identify these types of tactics when you listen to a sales pitch. The more prepared and knowledgeable you are, the less likely you'll become a victim of investment fraud. Lucky charms and pots of gold are for leprechauns.

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