

AFFINITY FRAUD



HOW IT WORKS



A fraudster, usually promoting a pyramid scheme or a ponzi scheme, targets members of an identifiable group.

(e.g. religious groups, the elderly, professional organisations)

The fraudster often is (or pretends to be) a part of the group.

The fraudster focuses on conning the leader of the group so that he/she would unwittingly help to promote the scheme. The fraudster gets close to the leader because they have the most influence over the group.

After earning the leader's trust, the fraudster uses the leader as a pawn to unknowingly promote the scheme.

Affinity frauds exploit the trust and friendship that exist in groups. By learning that others within their group have already invested investors are less skeptical.

Because of the tight-knit structure of these groups, victims often fail to notify authorities or pursue their legal remedies. Instead, they try to work things out within the group.



If you think you might be involved in an affinity fraud, stop participating immediately and contact the Financial Investigation Agency at 494-1335. You should also warn other people you think may have been approached about joining the scheme.

Check out next week's paper for more information about fraud.



MONEY MATTERS BVI

Make your money work for you
www.moneymattersbvi.org
852-4777

