

Managing Your Money

How To Recover From Financial Fraud

(NAPSA)—Financial fraud is real and can be devastating—but you can fight back. If you're ever a victim, it may mean coping with a compromised identity, damaged credit and financial loss as well as anger, fear and frustration.

What To Do

Full financial recovery may be difficult, but to improve your chances, it's critical that you report the crime as quickly as possible. Reporting financial fraud, no matter how small, helps the authorities pursue the criminals. Very often, perpetrators will dispose of your money immediately after taking it; you may never get it back. Recovery, however, is about more than money. It's also about protecting your future financial health and finding ways to recover emotionally from the crime. These steps can help you reclaim power from the fraudsters and move forward.

Step 1: Create an investment fraud file. Collect all documentation concerning the fraud in one file in a secure location. The file should include the perpetrator's name, contact information and any of the fraudster's purported regulatory registration numbers; a timeline of events; the police report, if any; your most recent credit report from all three credit-reporting companies; and any evidence of the fraud or deception.

Step 2: Know your rights. You have rights under federal and, in some cases, state law. For federal victim rights, check the U.S. Department of Justice's website at www.justice.gov. For state victim rights, check with the attorney general.

Step 3: Report to regulators. Reporting the fraud to national, federal and state regulatory organizations that oversee investment products and professionals may help you and others avoid a similar fraud. These agencies include:

- Financial Industry Regulatory Authority (www.finra.org)
- U.S. Securities and Exchange Commission (www.sec.gov)
- North American Securities Administrators Association (www.nasaa.org)
- National Futures Association (www.nfa.futures.org)
- U.S. Commodity Futures Trading Commission (www.cftc.gov).



There are seven steps you can take toward getting over financial fraud—and keeping it from happening again.

If you're not sure which one has jurisdiction, don't worry. They regularly route tips and cases of suspected fraud to the most appropriate agency.

Step 4: Report to law enforcement. Reporting the investment fraud to law enforcement is important to help make it possible to investigate responsible parties and prevent damage to others. File a police report or communicate with the district attorney's office and the state attorney general's consumer protection or prosecution unit to report the fraud. You may also want to contact the FBI field office and, if relevant, report the fraud to the Internet Crime Complaint Center (www.ic3.gov).

Step 5: Report to the Federal Trade Commission. Use the FTC's Complaint Assistant at www.ftc.complaintassistant.gov. Lodging a complaint will also enter the fraud into the Consumer Sentinel Network so law enforcement can stop ongoing fraud and track these crimes. This process will not, however, initiate a criminal investigation of your case.

Step 6: Consider civil remedies. You may be able to recover some of your lost assets through arbitration, mediation or a civil lawsuit. If a securities broker is involved in the fraud, you may file an arbitration claim with or without an attorney. FINRA offers an overview of the dispute resolution process at www.finra.org.

Step 7: Follow up. Review the steps you've taken and follow up after 30 days with any law enforcement agencies or organizations that serve victims.

Learn More

For further information on how to spot, report and avoid fraud, visit the FINRA Foundation's website: www.SaveandInvest.org.