

The Arkansas Cyber Defense Center

Investment Scam

Scam involving you, the investor, putting money into an investment that is questionable or doesn't exist, and ultimately losing money.

Types of investment scams:

Phantom Riches: This is when scammers promise a huge return on investments that are simply too good to be true. They may claim to have inside information or special access to high-yield investments, but in reality they are simply attempting to steal your money.

Source Credibility: Always be wary of anyone who claims to be an expert on investing, especially if they are not well-known or respected in the industry. Be sure to do your own research and never take someone's word for it without verifying their credentials first.

Social Consensus: This is a classic con artist tactic where the scammer tries to create a false sense of social proof by claiming that everyone is doing it or that you'll be missing out if you don't invest now. Be very skeptical of anyone who is trying to pressure you into making an investment decision.

Reciprocity: This is another common tactic where scammers try to make you feel obligated to invest by claiming that they have already done so or that they will match your investment. Again, be very skeptical of anyone who is trying to pressure you into making an investment decision.

Why be aware of this attack?

Anyone can be the target of an investment scam and scammers will create fake documents and social media in order to portray the image of a real company. Having the knowledge necessary to identify the signs of an investment scam can help to prevent this scam from working on you.

How can investment scams be prevented?

- Be careful of people trying to get you to act fast regarding investing. Scammers will be pushy or aggressive to get your money fast.
- Verify that the person you're talking to is who they say they are.
- Don't send money via unconventional methods like gift cards or wire transfer. This is a common tactic used by scammers to get money fast.

