

Money Management

Talk About Investments To Help Parents Avoid Fraud

(NAPSA)—Most children turn to their parents for financial guidance. Sometimes, however, it's the parent who needs help.

Older people are regularly targeted by fraud criminals because they have money, whether it's retirement savings, home equity or steady forms of income. Experienced investors may also believe they're too smart to be scammed. Research funded by the FINRA Investor Education Foundation shows, surprisingly, that financially savvy, self-reliant investors are more likely to be victims of fraud than those who are less knowledgeable.

"Investors who are overconfident about their ability to spot a 'great opportunity' are less likely to ask for help and advice from others," said Gerri Walsh of the FINRA Foundation. "And that's exactly what fraud criminals want."

Adult children should talk to their parents about investment fraud and be sure they are familiar with the tactics that fraud criminals use, Walsh said.

"Trick\$ of the Trade: Outsmarting Investment Fraud," a documentary produced by the Foundation and airing on public television stations, explains these tactics and the steps that investors can take to protect themselves. Free copies of the movie can be ordered on the Foundation's fraud-fighting website, www.SaveAndInvest.org. The website also offers information on how to check the background of a financial professional and the legitimacy of securities.

"It may be hard for some people to talk about money," Walsh said, "but getting your parents to come to you or someone else they trust for a second opinion before making



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an investment decision is a good way to avoid trouble."

It is a discussion Robert Kalinowski, a 25-year veteran of the Vermont State Police, wishes he had had with his father.

The older Kalinowski was befriended by a financial advisor. The two would go to high school sporting events together—but the friendship was a ruse to steal \$100,000 in an investment scheme.

"I did not see this happening," Kalinowski said. "I felt rotten. I was supposed to protect everybody...but I did not see this coming."

Checking the advisor's registration to sell securities would have revealed that he was no longer licensed. The advisor was eventually charged with embezzlement and grand larceny but died before the trial.

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