

Quick Start: Developments in Anti-Fraud Work

IFIE / IOSCO Annual Conference

5 June 2017

Rio Othon Hotel, Copacabana

Rio de Janeiro, Brazil

Who Are We?



FINRA:

- Non-profit, non-governmental regulator
- Mission: investor protection and market integrity



FINRA Foundation:

- Research and outreach
- Focus on building financial capability for all US adults

Today's Topics

1. Research developments
2. Training programs for first responders
3. Regulatory initiatives to protect against financial exploitation
4. Key take-aways

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Research Developments

FINRA Foundation Investor Survey



Emotions & Fraud Susceptibility

FINANCIAL FRAUD RESEARCH CENTER

STANFORD CENTER ON LONGEVITY

Finra
Financial Education
FOUNDATION

AARP

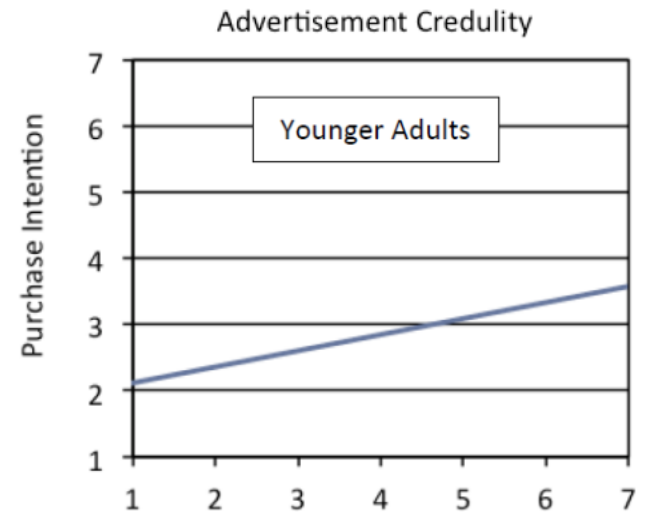
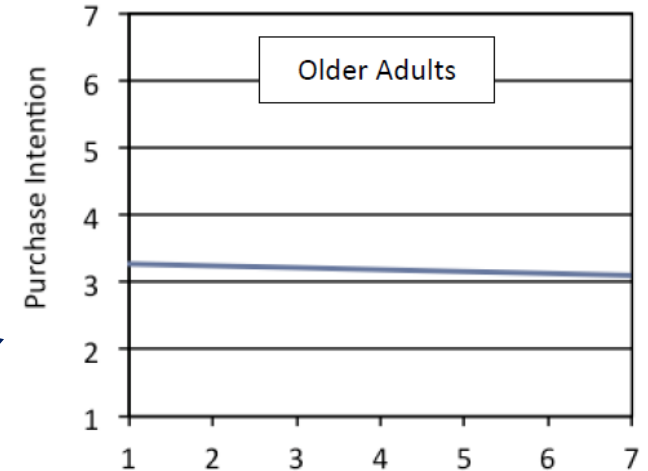
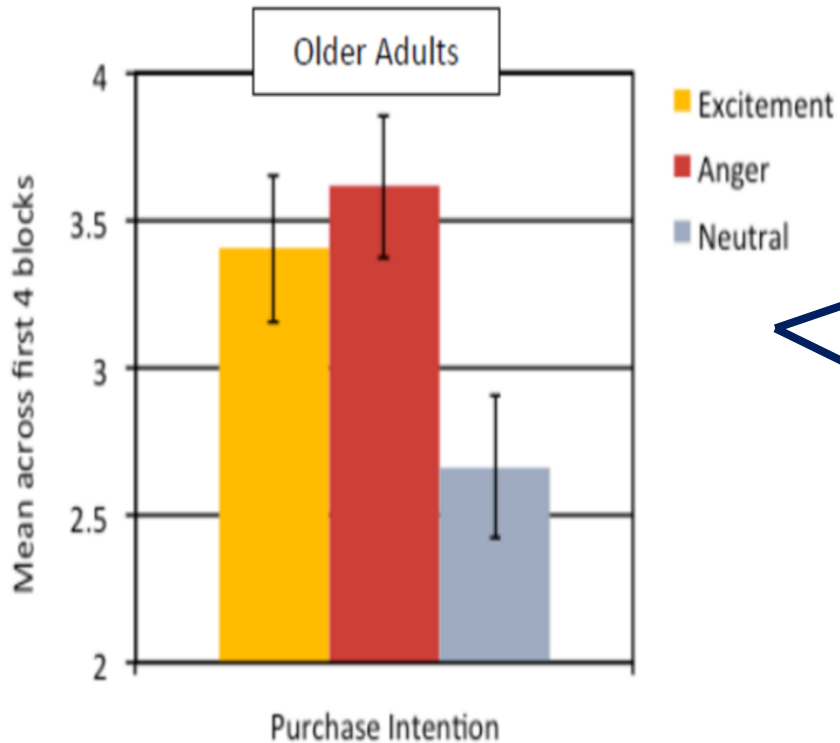
The Effects of Emotional Arousal on the Susceptibility of Older and Younger Adults to Fraudulent Advertising

Katharina Kircanski, Ph.D.¹, Nanna Notthoff, Ph.D.¹,
Doug Shadel, Ph.D.², Laura L. Carstensen, Ph.D.¹,
& Ian H. Gotlib, Ph.D.¹

¹Department of Psychology, Stanford University
²AARP Washington

← / ✎ □ →

Heightened Emotion & Susceptibility



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[Ponzi Schemes and the Financial Sector: DMG and DRFE in Colombia](#)

Documento CEDE No. 2017-35

Marc Hofstetter, Daniel Mejia, Jose-Nicolas Rosas and Miguel Urrutia

Universidad de los Andes, Universidad de los Andes, Colombia - Department of Economics, Inte

Date Posted: May 26, 2017

Working Paper Series

5 downloads

[Does Opening Complaints Data Change Company and Consumer Behavior?](#)

Kweku A. Opoku-Agyemang

Center for Effective Global Action (CEGA)

Date Posted: March 14, 2017

Last Revised: April 21, 2017

Working Paper Series

15 downloads



2

Law Enforcement & First Responder Training

“Targeting Investment Fraud”

Collaboration with National White Collar Crime Center

- 35 trainings since November 2012
- 1,200+ law enforcement personnel from 460 different federal, state and local agencies
- Combines investigative techniques and prevention strategies



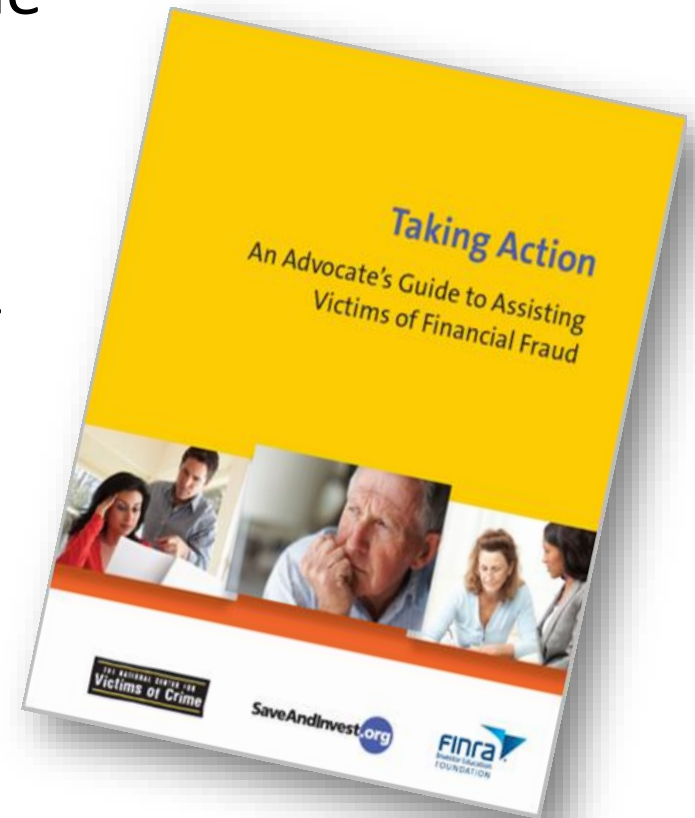
Evaluation

- 92.9% of attendees reported increased knowledge and skill set
- 74.5% reported enhanced job performance
- 89.4% would attend an advanced training

Outreach to Victim Advocates

National Center for Victims of Crime

- 4,400+ victim advocates since 2013
- Empower and equip front-line responders to better assist victims of a range of financial scams and frauds
- Distributed 8,525+ guides in 2016 alone



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Regulatory Responses

FINRA Securities Helpline for Seniors



The graphic features the FINRA logo at the top left, with the text "Financial Industry Regulatory Authority" below it. A central banner reads "FINRA Securities Helpline for Seniors™". Below the banner is a photograph of an elderly person's hands holding a smartphone. The text below the photo describes the helpline as a toll-free number for senior investors to get assistance or raise concerns about brokerage accounts and investments. It provides the phone number 844-57-HELPS (844-574-3577) and the operating hours: Monday – Friday, 9 a.m. – 5 p.m. Eastern Time. At the bottom, it asks if the viewer is a senior investor with questions about their brokerage account statement or investment, and offers to help.

FINRA
Financial Industry Regulatory Authority

FINRA Securities Helpline for Seniors™

A toll-free number that senior investors can call to get assistance from the Financial Industry Regulatory Authority (FINRA) or raise concerns about issues with brokerage accounts and investments.

**Call 844-57-HELPS
(844-574-3577)
Monday – Friday
9 a.m. – 5 p.m. Eastern Time**

Are you a senior investor with questions about your brokerage account statement or an investment in a brokerage account? Are you concerned that your account may have been compromised? To help you

9,200+ calls

\$4.3 million for customers

Toll-free

Staffed by examiners

Proposed Rules for Senior Investors



Amended FINRA Rule 4512

Requires firms
to attempt to collect
alternate contacts
for investors



New FINRA Rule 2165

Allows firms to place
temporary hold on
disbursements of funds
or securities when fraud
is suspected

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Key Take-aways

Key Take-aways

- Fraud can impact all age groups
 - Millennials more worried than older US adults
 - Older US adults appear more susceptible
- How we talk about victims can cause further harm
- Unexpected allies can help the fight

Questions?

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