



PREYING ON THE FAITHFUL

Avoiding Investment Swindlers Who Target Religious Groups

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Church members and others in Ohio religious organizations should be on guard against investment swindlers who may pose as one of the faithful to gain their victim's trust and life savings.

To the dismay of many honest people, there are con artists who will use any tactic to carry off a swindle. While some things may be taken on faith, investments are not among them. Members of religious communities can protect themselves from investment swindles by taking the following common sense precautions:

1. Be wary of investments that seem closely tied to a particular religious belief.

It makes little sense that an investment opportunity would be available only to members of a specific church or faith. If you are approached by a self-proclaimed "Christian" financial planner, hold him or her to the same standards you would apply to anyone from whom you would seek investment advice. Many religious scriptures warn of the danger of those who would exploit faith for personal enrichment. In the Bible, for example, St. Paul notes that some will attempt to "peddle the word of God for profit" and use their position in the church to "put on a mask to cover up greed."

2. Be cautious if the promoter of an investment opportunity tries to capitalize on connections or a leadership position within a religious group.

Remember that the success or failure of the investment is extremely unlikely to be linked in any way to the "inside" contacts of the promoter. Don't be swayed by glib talk about "highly placed friends." Always check out any claim of influence within the church that is made by a promoter.

3. Be on your guard for a new member of your church who springs up out of nowhere with a "surefire" investment scheme.

Some con artists will waste little or no time in worming their way into a religious circle. Find out who you are dealing with and what their background, if any, is within the church.

4. As you would with any investment offer, be sure to look closely at investments promoted to you by fellow members of the church.

Keep in mind that one of the con artist's most persuasive tools will be the testimony of your friends and fellow believers.

These people unwittingly may act as "song birds" for the swindler's scheme. Exercise the same caution and skepticism that you would about any other investment.

5. Ignore claims that religious-based investments are unregulated.

Virtually all investment opportunities, including church bonds, come under the scope of state and federal securities or commodities laws. Any claim to the contrary by a promoter is a clear indication that you are dealing with someone who is either grossly uninformed or a con artist.

6. Check out the promoter and the investment opportunity.

Don't suspend your doubt about an investment just because the promoter has made some claims about church connections. All promoters and investments should be checked out thoroughly before money changes hands. Contact the Ohio Investor Protection Hotline at (800) 788-1194 to find out if the promoter and investment are properly registered in Ohio. Columbus area residents should call (614) 644-7381. In addition, an inquiry with your local Better Business Bureau may turn up records of complaints about the promoter.

7. Don't give a break to a swindler who hides behind religion.

Once discovered, investment swindlers promoting schemes to church members sometimes plea for "Christian forgiveness." Others will warn of the danger to the church or the greater faith, if the scam is exposed. Don't listen to these self-serving appeals. If you suspect that you have been approached or taken by a con artist, report them to the Ohio Division of Securities at (800) 788-1194 or (614) 644-7381. Don't be taken advantage of for a second time by being talked into letting an investment crook off the hook. He or she will just take the opportunity to move on to greener pastures — and new victims.