

NASAA's Enforcement Report Show Seniors Are Still A Top Target for Investment Scams

(October 1, 2015) – The North American Securities Administrators Association (NASAA) today reported that senior investors continue to be a primary target for fraudulent investment pitches. The Louisiana Office of Financial Institutions (or OFI) is Louisiana's securities regulator, and an active member of NASAA.

In its *2015 Enforcement Report on 2014 Data*, NASAA reported that the top two scams which most affect senior investors are affinity fraud and selling unregistered securities. More than half of all reported enforcement actions involving a senior victim were unregistered securities, the report found.

"Seniors remain a top target of investment fraud and protecting seniors from investment fraud and abuse is a key priority of NASAA and its members," said William Beatty, NASAA President and Washington Securities Director.

The report, which includes responses from 49 jurisdictions throughout the United States, indicated that seniors were targeted in 25% of the enforcement actions taken in 2014 by states that track victims by age. "This number is conservative, in part, because senior victims are often reluctant to report investment scams," Beatty said, noting senior-related cases typically involved an average of three senior victims per case. Unregistered securities, in the form of promissory notes, private offerings or investment contracts continue to be the most common product involved in senior abuse cases.

Since 2008, when NASAA began collecting data from state securities agencies that track victims by age, one-third of all enforcement actions taken by state securities regulators involved senior victims, Beatty noted.

The NASAA report also said state securities regulators conducted 4,853 investigations in 2014 and took 2,042 enforcement actions. These actions led to \$405 million in restitution ordered returned to investors, fines of \$174 million and prison sentences of 1,629 years.

"Investors continue to rely upon state securities agencies, like the Louisiana Office of Financial Institutions, to provide frontline investigative resources to protect them," Beatty said. "OFI serves a vital role in protecting retail investors, especially those who lack the expertise, experience, and resources to protect their own interests."

Unlicensed individuals or firms continued to be the most common subject of state securities investigative actions, with 746 reported enforcement actions in 2014. Among licensed financial professionals, NASAA members reported 230 enforcement actions involved broker-dealer agents, 190 actions involved investment adviser representatives, 156 involved broker-dealer firms, and 146 involved investment adviser firms.

States also continue to serve a vital gatekeeper function by screening problem investment professionals before they have a chance to conduct business with unsuspecting investors. A total of 2,857 securities licenses were withdrawn nationwide in 2014 as a result of state action and an additional 728 licenses were either denied, revoked, suspended or conditioned.

NASAA's complete Enforcement Report is available [HERE](#).

NASAA is the oldest international organization devoted to investor protection. Its membership consists of the securities administrators in the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Canada and Mexico. For more information, visit: www.nasaa.org.