BEWARE OF FINANCIAL SCAMS

ILLEGAL DEPOSIT TAKING
- Only a portion would be reinvested
- Reinvest
- Look for members

ILLEGAL FOREIGN CURRENCY TRADING
- Guaranteed Returns
- Overseas companies will not need licence to operate in Malaysia
- Initial returns are lucrative

INTERNET INVESTMENT SCHEMES
- To make online investments
- Do not have licence from Bank Negara Malaysia or Securities Commission
- Offer opportunities above market rate

CREDIT CARD/DEBIT CARD SCAM
- Receive calls that card is being used
- Asked to lodge complaint with Bank Negara Malaysia
- Using victims card with information received
When investing your hard-earned money, be very, very careful of get-rich-quick schemes. Such schemes promise that you will get very high return with little risk. They also promise that little skill, time or effort is needed to get the high return, and that you can obtain wealth by working at home.

**Type of Financial Scam**
- Ponzi-schemes:
  Promise high return for fixed term of regular investment
- Pyramid Schemes:
  Promise large profit based on recruiting others to join
- Advance fee scams:
  Perpetrated through email, phone or social media offering a large sum but you need to help to pay them “small fee”
- Inheritance scams:
  Unclaimed inheritance but you request to pay them “small fee”
- Fund Transfer scams:
  Through an advert or email to receive a payment into bank account

These get-rich-quick schemes are frequently advertised in magazines and newspapers, while the truly illegal ones (scams) are often promoted on the Internet through spam and e-mail and offered via cold calls and SMS.

**Some of the features of these schemes are:**
- Promise of high returns of 20-30% a month with little or no risk.
- The offer is for a limited period only so you are asked to sign up immediately.

- The scheme is in another country and you cannot check on its office or confirm its status from the website of any regulatory body.
- You are asked to give confidential information such as your bank account number.

**What must you do when you come across an attractive offer to make you rich?**
- The golden rule is do not be greedy and make instant decisions. Always check with friends, family and professionals whether such investment opportunities are genuine or not.
- Find out more about the offer before you decide to invest.
- Be suspicious with an investment that offers high return, low risk and free of investment costs, as it is unlikely that a business can provide all these.
- Even if the investment offer is being introduced or recommended by someone you know very well or a family member, always be mindful of the intention behind the offer because no investment is easy and can make you lots of money quickly.
- An investment that is not legal is not the type of investment that you want to make. Such an investment is risky and you can be caught for investing illegally.
Conclusions
We wish to accumulate wealth fast but sometime we overlook the risk exist. Therefore, before investing in any investment scheme, we have to be extra careful especially some investment scheme is too good to be true. If such investment really come and offered to you, just ask yourself these question before make the decision:

1. Why me? If I can get it, why others wouldn’t get it
2. Why now? Time restriction and why must decide now
3. Why payment required, why not free?

Lastly, there are still people believed FIFO (First in First Out) to make money from financial scam. Just remind them that people who invited by you to participate in the financial scam is the people who trusted you from the beginning. Do you want to betray their trust in you?

DR DESMOND CHONG KOK FEI
is a Trainer with Agenzi Kaunseling & Pengurusan Kredit (AKPK) and has over 35 years experience in marketing and management.