Section 2  The Advocate’s Role
A Victim-Centered Approach

Advocates have several important responsibilities in working with victims of financial fraud, but the most important is to use a victim-centered approach. This goal is accomplished by communicating with compassion, managing the expectations of the victims, and assessing any additional safety concerns that arise out of the financial fraud. Advocates also need to assist victims in preventing further victimization as well as strengthening the network of services for financial fraud victims where possible. Finally, advocates need to help victims be attentive to their own emotional and mental health as they recover.

Victim advocates should use the training and skills they’ve developed for communicating with victims. Active listening skills, coupled with a victim-centered, compassionate approach to all communication, will help achieve a good outcome for the victim.

For additional information on managing financial fraud victims’ cases, visit:


For additional training on working with victims, visit:


Tips for Creating a Victim-Centered Approach

**Show compassion:**

- From the beginning, victims need to know you care for and respect them.
- Acknowledge the trauma the victim is experiencing at the outset.
- Victims need to know they are not to blame for being victimized.
- Victims may benefit from understanding the powerful persuasion tactics that scammers use.
- Do not infantilize or be too familiar with the victim, particularly if a victim is older.
Listen actively:

- Maintain eye contact.
- Use a friendly tone of voice.
- Paraphrase information given by the victim.
- Let the victim share the story once through, uninterrupted.
- Ask open-ended questions.
- Affirm the victim’s experience.

Be sensitive to the victim’s fears and safety concerns:

- Build relationships with victims and let them know you are there to help.
- Victims may take time to fully grasp what has happened to them.
- Victims may fear the perpetrator if he or she is a family member.
- Victims may also be victims of other forms of abuse by the perpetrator.
- Victims may have difficulty trusting anyone, including the victim advocate and others attempting to help.

Understand why victims may return to you for help multiple times:

- The fraud may be ongoing.
- They discovered a new facet of the fraud or have additional information to share.
- They need additional support accessing services.
- They may be economically dependent on the exploiter.

Protect and advocate:

- If relevant, create a safety plan to prepare the victim for future contact with the perpetrator.
- Report the financial fraud to law enforcement authorities, when appropriate.
- Assess the victim’s need for referral to other professionals, including:
  » Adult Protective Services;
  » legal aid or other civil attorneys;
  » not-for-profit consumer credit counseling;
  » mental health support; and
  » medical care or evaluation, especially if there are concerns about a victim’s physical or mental capacity.
Identifying Fraud Types

One important step in communicating with victims is identifying the type of financial fraud that occurred. Many victims may already know, but in some cases the advocate may be the first person to speak with the victim about the fraud. Identifying the type and extent of the financial fraud may be challenging.

Even if victims are willing to talk about their experience, they may have difficulty telling their story coherently. They may jump from one time period or detail to another. It is important for victim advocates to first listen, then ask questions. When possible, let victims tell the whole story once through, uninterrupted, from their own perspective. Then the advocate can try to help victims piece together a chronological, fact-based account of the fraud.

Using the following simple, open-ended questions will help the victim speak about the crime they experienced.

- Can you tell me what happened to you?
- Can you tell me about the person or group of people who did this to you?
- How did this take place?
- What has been the impact on your life?

It is important to ask just enough questions to understand the fraud, generally, so that you can direct the victim to the best possible authorities and resources. It is not the role of the advocate to serve as a fraud investigator.
Setting Expectations

It is extremely important that advocates help victims set realistic expectations associated with the aftermath of a financial fraud. Helping victims manage their expectations about their recovery is some of the most valuable guidance advocates can provide.

From the beginning, victims need to know that emotional trauma is a common reaction to financial fraud and recovery. Feelings of anger, helplessness, even despair—and conditions such as sleeplessness and loss of appetite—may require the help of mental health professionals.

Additionally, victims need to be aware that full financial recovery is rare because fraudsters often dispose of assets immediately after they acquire them. It is possible that some assets may be recovered, but these may be negligible. Even when a case results in an award of restitution, the victim may receive only a small amount relative to his or her total losses.

While many victims may look to advocates for assurances that their assets are recoverable, advocates should guard against providing false hope—even a response of “maybe”—which could lead to further trauma if the end result is loss.

Laying out the following points can help provide meaningful assistance to financial fraud victims.

**What Victims Need to Know**

1. **Recovery requires work.** Victims need to work with regulatory, criminal justice, or social service agencies to address their problems, pursue justice, and take an active role in their recovery.

2. **Reporting matters.** Reporting any financial fraud, no matter how small, helps law enforcement, regulators, and government agencies put a stop to the fraud, prevent the victimization of more consumers, and pursue the criminals committing the fraud. Reporting is also recommended if the victim is looking for financial recovery.

3. **Full financial recovery is difficult to achieve.** Even when criminal prosecution results in a restitution order, victims rarely obtain full recovery of their losses.

4. **Civil legal action might be necessary to get money or property back—but might not work.** Victims of financial fraud often cannot get their money back unless they file their own civil
lawsuit against the fraudster. Civil lawsuits take time and can be costly. If successful, the court might order the perpetrator to return some or all of the assets lost to fraud. But even then, it can be difficult to collect, especially if the money or assets have disappeared.

5 **Resources are available.** There are resources available for victims to assist in their financial recovery. Many, but not all, are listed in the back of this guide.

6 **Recovery is also about health.** Recovery is not only about finances, but it is also about the victim facing any emotional trauma caused by the crime and potentially seeking help to process feelings and restore mental health.

7 **Some agencies may not communicate with victims beyond the initial reporting.** However, reporting is important. For instance, filing a Federal Trade Commission (FTC) affidavit does not cause a case to be opened and pursued, but the affidavit filed with the FTC will allow victims to assert certain victim rights with credit reporting companies. Further, reporting helps agencies share information with other consumer protection organizations that may be working on prevention and detecting fraud more broadly.

“Very often perpetrators will dispose of your money immediately after taking it. You may never get your money back. That said, your recovery is about more than lost money. It's about protecting your future financial health and assets, and more importantly, finding ways for you to recover emotionally from this fraud. Together, we will work to take back power from the fraudsters and help you move forward.”
Prevention for Victims

Victims of financial fraud are at risk for revictimization. Victim advocates should consider all financial fraud victims as potential future victims. Below are brief tips to help victims prevent financial fraud, broken down by category, with directions on where to find more in-depth information.

Identity Theft Prevention Tips

- Keep all personal and financial records in a locked storage device or in a password-protected electronic file.
- When someone requests your Social Security number, ask if you can provide alternate information. At medical offices, use an identifier that is not your Social Security number.
- Monitor bank and credit card accounts weekly.
- Regularly monitor your credit reports. A free copy from each of the three major credit reporting companies is available every 12 months through [www.annualcreditreport.com](http://www.annualcreditreport.com).
- Shred all paper with identifying information before disposing of it.
- Review the information at [www.safechecks.com](http://www.safechecks.com) to find out how to order safer checks.

Part of your recovery is preventing something like this from happening again. I want to give you some resources to help you protect yourself from fraudsters and prevent future scams.

Investment Fraud Prevention Tips

- Reduce your exposure to sales pitches.
  - Use care with free lunch or dinner seminars.
  - Avoid high-risk investments.
  - Develop a “refusal script.”
  - Sign up for the “Do Not Call” Registry at [www.donotcall.gov](http://www.donotcall.gov).
- Learn to recognize the red flags of persuasion in sales pitches. Start at [www.SaveAndInvest.org/FraudCenter](http://www.SaveAndInvest.org/FraudCenter).

IDENTIFYING FRAUDSTERS

Help victims to learn to spot red flags and resist the high-pressure tactics associated with many fraudulent offers.

Order a free DVD of the award-winning documentary from the FINRA Investor Education Foundation, [Trick$ of the Trade: Outsmarting Investment Fraud](http://www.SaveAndInvest.org/TricksOfTheTrade).
Always ask and check the registration status of the salesperson and the investment itself. A legitimate investment professional must be properly licensed, and his or her firm must be registered with FINRA, the SEC, or a state securities regulator – depending upon the type of business the firm conducts. In addition, with very few exceptions, businesses must register their securities with the SEC before they can sell shares to the public. Here's what to ask and how to check:

» Before working with a broker or other financial salesperson:
  - **Ask:** Who licensed you to sell financial products? Are you a licensed broker? Is that investment registered?
  - **Check:** Verify that they are indeed licensed with the registering agency and that their license is up to date. Go to www.SaveAndInvest.org/FraudCenter to check.

» Before buying an investment product:
  - **Ask:** Is this investment registered with the U.S. Securities and Exchange Commission (SEC)?
  - **Check:** If you are told it is, verify that the investment is indeed registered with the SEC. Go to www.investor.gov or www.sec.gov. And if you were informed the investment is not registered, learn more to understand why not and how you can verify information with a third party that does not have a vested interest in the investment.

**Places to Check Investment Professionals**

**Brokers/Registered Representatives/Investment Advisers**

- **Financial Industry Regulatory Authority (FINRA)**
  - FINRA offers a free online tool called BrokerCheck so that investors may easily check the licensing status and disciplinary and complaint history of brokers and investment advisers. All brokers are required to be registered with FINRA.
  - (800) 289-9999
  - www.finra.org/brokercheck

- **State Securities Regulators**
  - The North American Securities Administrators Association (NASAA) provides a list of securities regulators around the country, who can be of assistance at the local and community level. Investment advisers must be registered with the U.S. Securities and Exchange Commission or the state securities regulator for the state in which they are doing business.
  - (202) 737-0900
  - www.nasaa.org
U.S. Securities and Exchange Commission (SEC)

The SEC offers a wealth of resources for investors to check on the licenses of investment advisers, look into the registration of investment products, review company filings and more. Investment advisers must be registered with the SEC or the state securities regulator for the state in which they are doing business. Further, the SEC’s EDGAR database provides free public access to corporate information, allowing investors to research a company’s activities, registration statements, prospectuses, and periodic reports, which include financial statements.

(800) SEC-0330
www.sec.gov and www.investor.gov

Commodities/Futures/Foreign Exchange Dealers

National Futures Association (NFA) BASIC Check (Background Affiliation Status Information Center)

The NFA provides BASIC so that investors may check the licensing status of commodities and futures dealers. BASIC contains Commodity Futures Trading Commission (CFTC) registration, NFA membership information, and futures-related regulatory and non-regulatory actions contributed by NFA, the CFTC, and the U.S. futures exchanges.

(800) 621-3570
www.nfa.futures.org/basicnet

Insurance Agents

National Association of Insurance Commissioners

Contact the National Association of Insurance Commissioners to find out more about state-specific insurance regulators.

(866) 470-6242
www.naic.org

Mortgage and Lending Fraud Prevention Tips

Stop:

• If the terms of a loan sound too good to be true, they probably are.
• Resist high-pressure tactics. Tell the sales person you need time to consider your decision.

Check:

• Get referrals to loan and mortgage professionals when you want to obtain a loan or mortgage.
• Verify the licenses of mortgage and loan professionals with state, county, or city regulatory agencies.
• Find a housing counselor through the U.S. Department of Housing and Urban Development at (888) 995-HOPE.
• Beware of “no money down” loans. Take extra care to check out the source of these loans with a housing counselor.

Protect Yourself:
• Don’t make a false statement on your loan application, such as overstating your income.
• Never sign a blank document or a document containing blank lines.
• Read all documents before signing.
• If you don’t understand what you’re signing, hire an attorney to review the documents for you.

Mass Marketing and Other Fraud Prevention Tips

• Take your name off of solicitation lists.
  » Direct mail and email offers: www.dmchoice.org.
  » Credit card offers: www.optoutprescreen.com or (888) 567-8688.
  » Online cookie collecting: www.networkadvertising.org.
• Shred suspicious mail.
• Don’t do business with anyone who solicits your money in advance of awarding a prize.
• Check the credentials of sellers with unbiased, third-party sources, if possible.
• Get all offers in writing.
• Don’t deposit checks sent by companies that claim the check is for fees or taxes on lottery winnings.
• Don’t participate in foreign lotteries. It is against the law.
• Don’t respond to junk mail.
One key way to assist victims is to help them find local agencies and individuals who can support their efforts to recover. Advocates can enhance the recovery process from fraud and increase opportunities for prevention by networking with other agencies dealing with financial fraud issues. Victim advocates can raise awareness about financial fraud and promote a comprehensive response by creating or joining informal networks within their communities to combat fraud.

Many jurisdictions have multidisciplinary centers, such as Family Justice Centers and Elder Justice Centers, which can save advocates and victims hours by cross-coordinating assistance and services to victims. Below are some initial steps to help connect with existing networks of agencies working on behalf of financial fraud victims.

Making Advocacy Connections

Initial Steps

1. Contact your state’s Attorney General’s Consumer Protection Office
   This office will also be able to alert you to existing networks within your state. Find contact information from the National Association of Attorneys General at www.naag.org.

2. Contact your state’s Crime Victim Coalition
   Crime victim coalitions often know of multiple local agencies and individuals working in the area of financial fraud. Reaching out to your local coalition and involving it in your case will help provide a connection point for many agencies, and may inform you about task forces you didn’t know about. One example of a task force is the Financial Abuse Specialist Teams (FAST). A FAST focuses on complex financial abuse cases. It may comprise public agencies only or public-private partnerships, which include a multidisciplinary range of private practitioners. Learn more from the National Center on Elder Abuse at www.ncea.aoa.gov/Stop_Abuse/Teams/FAST/index.aspx.

Additional Contacts

You may find that the network in your state does not encompass your locality, or the network needs further improvements. You should consider contacting some of the organizations and individuals below to strengthen ties. Many of the local law enforcement and other agencies in your jurisdiction
will have financial fraud specialists on their staff. Connecting with these individuals will not only improve your service delivery but will also give you direct access to up-to-date resources to help victims.

**Area Agency on Aging**
The primary mission of the National Association of Area Agencies on Aging is to build the capacity of its members to help older persons and persons with disabilities live with dignity and choices in their homes and communities for as long as possible. Find your local Area Agency on Aging online at [www.n4a.org](http://www.n4a.org).

**Banking Regulators**
The Board of Governors of the Federal Reserve, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the National Credit Union Administration provide various regulatory services for banks and credit unions. Read more about these regulators and their jurisdictions at [www.sec.gov/answers/bankreg.htm](http://www.sec.gov/answers/bankreg.htm).

**Better Business Bureau (BBB)**
The Council of Better Business Bureaus is the network hub for BBBs in the United States and Canada. There are 113 independent BBBs across North America that serve accredited BBB businesses and consumers in their local communities. Find your local Better Business Bureau at [www.bbb.org](http://www.bbb.org).

**Civil Attorneys**
Local civil attorneys who work with victims of crime can often advise victims and help them with financial recovery (when appropriate) by seeking justice in civil court. Find attorneys in your area by contacting the National Crime Victim Bar Association at (202) 467-8716 or visit [www.victimbar.org](http://www.victimbar.org). Additionally, local legal aid offices may be able to provide assistance to victims. Find legal aid offices at [www.lsc.gov](http://www.lsc.gov).

**Financial Services Industry Professionals**
Many banks and investment firms have victim service staff responsible for serving your area. Including these individuals in your action plans may enhance your knowledge of what services are available for financial fraud victims.

**Investment, Securities, and Insurance Regulators**
Investment, securities, and insurance regulators are often willing to help prevent fraud and are important contacts for reporting. There are state, federal, and national regulators, many of which are included in the list of Resources. Consider reaching out to the relevant FINRA District Office, [www.finra.org/Industry/Contacts/p085520](http://www.finra.org/Industry/Contacts/p085520), or SEC Regional Office, [www.sec.gov/contact/addresses.htm](http://www.sec.gov/contact/addresses.htm). Locate your state securities regulator at [www.nasaa.org](http://www.nasaa.org) and your state insurance regulator at [www.naic.org](http://www.naic.org).
**Law Enforcement Officials**
Local and state law enforcement officials who investigate financial crimes are key information sources for victim advocates. Law enforcement is often willing and able to investigate these crimes, and your advocacy on behalf of victims may help those victims get the attention required. Law enforcement may also help you set realistic expectations for the victim concerning criminal prosecution.

**Local Prosecuting Attorney**
Your state’s prosecuting attorney will likely have at least one attorney who specializes in financial crime. Connecting with this individual or office will help you learn how these cases are prosecuted, set expectations, and advocate for the victims you serve.

**Local Triad Program**
A Triad is a partnership of three types of organizations—law enforcement, older adult, and community groups—to promote older adult safety and reduce the fear of crime that older adults often experience. The National Association of Triads (NATI) provides grassroots-level assistance to help communities organize local Triads. It also provides a clearinghouse of programs and resources for local implementation, as well as training materials for law enforcement, volunteers, and community groups. Find out if there is a Triad in your area at [www.nationaltriad.org/Locate.aspx](http://www.nationaltriad.org/Locate.aspx).