

# R♥mance Scams

## Is Your New Romance an Investment Scam?

*New Romances can be Exciting.  
But, if that person starts asking for money, **BEWARE!***

**What is a Romance Scam?** Romance scammers lure victims into false or misleading relationships, often with the intention of stealing money or committing other types of fraud. In a romance scam, a swindler pretends to have a romantic interest in a target. After a relationship is established, the scammer attempts to obtain money or sensitive information from the target under false pretenses.

Romance scams account for the highest amounts of financial losses when compared to other internet-facilitated crimes. Moreover, an increasing number of Americans are becoming victims of romance scams originating from outside the U.S.

Romance fraudsters lure people with phony online profiles, typically creating attractive and impressive personas. Using made-up names or falsely assuming identities of real people, these fraudsters use many types of social media platforms including, but not exclusively, dating apps, to make a personal connection.

Romance scams may involve fraudsters asking that money be sent to help with a tragedy. They may, however, also be more subtle. To attract the attention of their victims, scammers may claim to make huge profits from investing on trading platforms, often by trading cryptocurrencies, foreign currencies, binary options, or other investment products. The fraudster will then typically encourage the victim to do the same.

### **How does the Scam Usually Work?**

The fraudster begins with an attractive online profile, typically false and usually including photos of other people or stock photos. The scammer may begin actively searching for a victim or may sit back and wait for a victim to “match” one of several false profiles they have created. They then let the victim begin the conversation. Scams have started with dating apps, *Facebook*, *LinkedIn*,

*Instagram*, and other internet social networking forums. Once contact is made, the scammer begins to build trust, relying on finding “common” interests, beliefs or activities. As with most cons, the scammer is relying on the victim to provide the right “hook” of commonality to begin building trust. As rapidly as possible, the scammer then displays an affectionate interest in the victim and attempts to initiate a similar response from the victim. At or near this stage, the scammer tries to take the relationship away from the social media site and guides the victim into a direct communication channel, typically a messaging platform.

Eventually and inevitably, the conversation will turn to finances. The scammer may reveal an incredibly profitable investment opportunity, one that they can only share with a limited group of close friends. Or the scammer may disclose a recent financial setback, illness or family tragedy that requires urgent assistance. Or it can be as simple as needing money for a plane ticket to come and meet the ‘beloved’ victim in person.

### **What are some of the Red Flags of a Scam?**

Typically, the scammer will quickly profess a deep affection for and connection with, the victim. Despite this purported bond, the scammer will never be able to meet in-person. There will be numerous unsuccessful attempts and many obstacles and excuses to avoid an in-person meeting. The same is true of video chats. Despite being technologically proficient in the use of social media and knowledgeable in international financial money transfer methods, they will always avoid a video chat, lacking either the time or ability to participate. Finally, the conversation inevitably will turn to money, somehow, in some form. This is when the scammer will request that the victim provide some financial benefit to them or send their money to some other website, individual, or company.

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# Romance Scams

continued

## How Can You Protect Yourself?

### Do not Send Money to Online Strangers.

Never transfer money from your bank account, buy gift cards, or wire money to an online connection or on the advice of an online connection. True online romantic connections will not request that money be sent.

### Do not Invest Based Solely on the Recommendation of a New Online Relationship.

Research the information you are being provided and speak to a registered investment professional.

### Keep the Conversation on the Dating Site or the Social Media Platform.

It can be a red flag when someone you meet on a social media platform wants to leave the website in order to chat on a different messaging platform. Many scammers like to use messaging platforms such as *WhatsApp*, *Kik* or *Viber*.

### Meet in-Person in a Safe, Public Space.

If the romance is real, meet in a safe public place. If a person keeps giving excuses, he or she may be hiding their true motives.

### Never Share Personal or Financial Information.

Never share sensitive personal and financial information with purely online relationships.

### Talk to Your Trusted Friends or Family Members About Your Love Interest.

Without the same emotional connection, trusted friends or family members may more easily see possible warning signs of fraud. Emotions may cloud your judgment.

### Check the Photos of Your Connections.

*Google Reverse Image Search* is a free site where you can tell if photos have appeared elsewhere online. You can see if a photo was used by someone with a different name or has been reported to a scam list.

### Investigate What Your Connections Tell You About Themselves.

Check online to verify information about what they may tell you. Google the person and see what information appears online about that person. If no online profile appears about the person, that should cause you to ask more questions.

### See If the Text of Their Messages Appears Elsewhere.

Google the text message your new connection has sent you. You may see that same message on other sites. Clearly that is an issue.

### Invite Your New Friend to Video Chat with You.

Scammers do not want to talk “live” while showing their faces. Video chat will help you determine if the online profile is accurate and the person is who they say they are.

### Beware of Members of the Military Asking For Money.

Fraudsters will often try to impersonate U.S. Military members. Members of the U.S. Military have no need to ask for money for service-related transportation, medical care or administrative fees.

### Check Where the Emails Came From.

Every email has an IP address which will reveal the IP address of the device which sent it. There are websites online where you can check IP addresses.

## Best Practices for Every Investor

### Always verify the identity of anyone who offers to sell you an investment.

Your state securities regulator is always a good place to start to identify if the individual offering you an investment is properly registered.

### Do not jump at investments promising outsized returns with no-risk.

No legitimately registered salesperson will offer a spectacular profit or promise a guaranteed rate of return. Every reasonable investment involves risk. Typically, a higher rate of return equates to greater risk.

### Never be rushed into an investment by the threat of a “limited time only” offer.

If you cannot research the investment product and understand the nature of the investment, it is not the appropriate investment for you.

### Be especially careful about joining-in with family members, church groups, clubs and other groups, whether online or in-person.

When you are unable to verify that a registered person is selling the investment and unable to research the product in a public forum, the opportunity to get caught in an affinity fraud is greatly increased.

## If You Have Been Scammed, Report It!

### Stop communicating with the scammer immediately.

Report this scam to the online dating or social media site and to your bank. Contact the New Jersey Bureau of Securities at **1-866-I-INVEST** (1-866-446-8378).

You can also contact the Bureau via email at [njbos@dca.lps.state.nj.us](mailto:njbos@dca.lps.state.nj.us) or file a complaint through the website [NJSecurities.gov](http://NJSecurities.gov).