

**CFTC Investment Fraud Main Survey**

Thank you for participating in this important survey. This research is sponsored by the Commodities Futures Trading Commission [Office of Management and Budget Control # XXXX-XXXX Expiration Date: XX/XX/2014], an independent federal agency that shares responsibility with other federal agencies like the Securities and Exchange Commission (SEC) to regulate financial markets.

This survey is for research purposes only to better help communicate important information and updates to consumers and investors. Your answers will remain strictly confidential, and no one will contact you as a result of any of your responses. Participation in this survey is voluntary, but many find the information and questions to be interesting and informative.

**[MAIN STUDY] - Current Timing 15 min**

**[INVESTMENT APPROACH]**

1. Below you will see a list of investment goals many people have. Thinking about your current investments, please indicate which of the following best describe your personal investment goals. Select all that apply. **[RANDOMIZE; ALLOW MULTIPLE RESPONSES]**

Saving for retirement.....	1
Saving for child's college education.....	2
Purchasing a home.....	3
Improving current lifestyle.....	4
Ensuring an inheritance/nest egg for family.....	5
Retiring early.....	6
Making up for previous financial loss(es).....	7
Other: record verbatim _____.....	8
None.....	9

2. And thinking about your main investment goal, would you say that you currently are...

Way <u>ahead</u> of pace.....	1
Somewhat <u>ahead</u> of pace.....	2
Exactly on track.....	3
Somewhat <u>behind</u> pace.....	4
Very <u>behind</u> pace.....	5

3. Compared to other people you know who are not professional financial investors, what statement best describes your investment research and skills ...

I know <u>more</u> than most people I know.....	1
I know <u>somewhat more</u> than most people I know.....	2
I know about the same as the most people I know.....	3
I know <u>somewhat less</u> than most people I know.....	4
I know <u>less</u> than most people I know.....	5

4. Below you will see a list of investment products. Please select all that you currently are invested in or have invested in. **[RANDOMIZE; ALLOW MULTIPLE RESPONSES]**

- a. Stocks and shares
- b. Bonds
- c. Mutual funds
- d. Precious metals like gold or silver
- e. Real estate investment trust (not including real estate investment properties you may own)
- f. Foreign currency trading
- g. Individual or managed derivatives
- h. Oil and gas ventures
- i. Any type of futures or options
- j. Annuities
- k. Livestock (e.g. pork bellies) or agricultural (e.g. corn, soy) commodities
- l. None of the above

5. Generally speaking, how concerned are you about unknowingly being part of a fraudulent investment?

Very concerned.....	1
Somewhat concerned.....	2
Not too concerned.....	3
Not at all concerned.....	4
Don't know.....	5

6. Now we will show you two possible situations investors like you could face. For each, please indicate how likely you believe it is that such a situation could happen to you. Please use a 100-point scale, where a 0 means you believe there is no chance this could happen to you, and 100 means you are absolutely certain this could happen to you. You can pick any number in between. Here is the first one.

**[ROTATE A AND B]**

- a. Invest in something that later turns out to be fraudulent **Record** : \_\_\_\_\_
- b. Be approached by a financial fraud perpetrator, whether directly, through a cold call, or through an unknowing friend **Record** : \_\_\_\_\_

**[MESSAGING]**

We will now show you five brief passages that describe different reasons to learn more about how to avoid investment fraud. If these were converted into advertisements, they would contain additional information and support points. Please read each one and answer the questions that follow. **[FOR PROGRAMMING, DISPLAY MESSAGE WORDING WITHOUT BRACKETED TITLE ONE AT A TIME. RANDOMIZE MESSAGES AND DISPLAY EACH WITH QUESTIONS A-D ON THE SAME SCREEN FOR RESPONDENTS TO ANSWER]**

- 7. **[Affirmation]** Responsible investors are vigilant about not only researching the potential of an investment to deliver a good return but also the potential for an investment to be fraudulent.
- 8. **[Need for lifelong learning]** Financial fraud perpetrators constantly change their tactics and improve their schemes, making it important for even seasoned investors to stay one step ahead of the latest scams to protect themselves.

9. **[Risk]** Learning more about how to identify and avoid investment fraud is one of the most important ways to assess the true risk in your investment portfolio, which will mean a huge difference in your retirement years.
10. **[Victim Identification]** Experienced investors are prime targets for financial fraudsters because they have the confidence to take risks and the resources to make fraud worthwhile.
11. **[Own Thinking]** Even seasoned investors know they cannot afford to solely trust the judgment of friends and family without doing their own verification, including learning the signs of investment fraud.

a. Overall, what would you say was your initial reaction to this message ...

- Very favorable.....1
- Somewhat favorable .....2
- Neutral.....3
- Somewhat unfavorable.....4
- Very unfavorable.....5

b. To what extent do you agree or disagree that this message is believable

c. To what extent do you agree or disagree that this message is personally relevant to you

d. To what extent do you agree or disagree that this message is motivates you to seek more information

**[SCALE FOR 14 B, C, D]**

- Strongly agree.....1
- Somewhat agree.....2
- Neither agree nor disagree.....3
- Somewhat disagree.....4
- Strongly disagree.....5

12. Next are some things you might learn about investment fraud, such as at an educational website. For each, please indicate whether this type of information would be very important to you, somewhat important to you, not too important or not at all important to you. **[RANDOMIZE]**

- a. **SSA:** The top 5 signs of a fraudulent investment
- b. **SSB:** The top 5 signs of a fraud scheme
- c. How to confirm that an investment is registered
- d. How to check the background of a financial professional
- e. **SSA:** The 5 most common investment fraud scams
- f. **SSB:** The 5 most common investment fraud schemes
- g. **SSA:** Possible persuasion tactics used by fraudsters
- h. **SSB:** Possible persuasion tactics used to by white collar criminals
- i. Who to contact if you have a question or concern about an investment
- j. How to report real or suspected investment fraud
- k. The steps involved in reporting suspicious fraud activities
- l. Likelihood of recovering losses if defrauded
- m. Types of fraud in the order of highest number of victims

Very important.....	1
Somewhat important .....	2
Not too important.....	3
Not at all important.....	4
Don't know.....	5

**[FRAUD, RISK, AND COMMODITIES]**

13. Have you ever invested money in something that turned out to be fraudulent?

Yes.....	1
No.....	2
Don't know.....	3

14. **[ASK IF Q16=1 “YES, INVESTED IN FRAUD”]** Approximately how old were you when you were you defrauded? **Record :** \_\_\_\_\_

15. Have you ever been approached about an investment opportunity that you suspected was fraudulent?

Yes.....	1
No.....	2
Don't know.....	3

16. Once investment fraud is discovered, how much of the financial losses do you think a victim of fraud usually recovers?

All .....	1
Most.....	2
About half.....	3
Less than half.....	4
None.....	5
Don't know.....	6

17. If you suspected an investment you were part of was fraudulent, how likely would you be to take any of the following actions? **[RANDOMIZE]**

- a. Report it to a federal financial agency such as the SEC or the CFTC
- b. Report it to a federal law enforcement agency such as the FBI
- c. Report it to local law enforcement like the sheriff or state police
- d. Report to a consumer group like the Better Business Bureau or Chamber of Commerce
- e. Contact a lawyer for a possible lawsuit
- f. Contact a professional financial advisor
- g. Report it to your state's Attorney General
- h. Do my own internet research to verify their legitimacy
- i. None of the above

Very likely.....	1
Somewhat likely.....	2
Not too likely.....	3
Not at all likely.....	4

18. Which of the following, if any, would you be most concerned about when it comes to reporting suspected fraud? Please pick the top 2. **[RANDOMIZE]**

- a. Reporting will take up too much of my personal time
- b. I would have to reveal details about my personal and financial information to authorities
- c. I could falsely accuse someone and ruin their career
- d. I would not recover any of my financial losses
- e. It will cost even more of my money to investigate
- f. Governmental authorities I would report to would not follow through on my complaint
- g. Other (specify: \_\_\_\_\_)
- h. None of the above

19. When it comes to verifying the legitimacy of a financial advisor, would you say you mostly rely on...**[ROTATE]**

- your experience and instincts
- some research into that financial advisor
- extensive research into that financial advisor

Experience and instincts.....1  
Some research.....2  
Extensive research.....3

20. Please tell me how much you agree with the following statements. **[RANDOMIZE]**

- a. When it comes to risk with financial investments, it is just as important to consider a missed opportunity for a large financial gain as it is to consider a potential loss
- b. If I put in as much research into commodities/futures as I do my other investments, I will feel as comfortable investing in commodities futures as I do my other investments.
- c. Investing in an individual, specific commodity/future is not a good investment for the non-professional investor.
- d. I know the difference between having a bad luck on an investment and being defrauded.
- e. When investing, I am open to taking risks for the chance of a high return.
- f. I have enough instincts and experience to identify a fraudulent deal without having to specifically confirm the legitimacy of it.

Strongly agree .....1  
Somewhat agree.....2  
Neither agree nor disagree .....3  
Somewhat disagree.....4  
Strongly disagree .....5

**[INFORMATION SOURCES]**

21. How important is each of the following sources for you personally when it comes to researching potential investments? **[RANDOMIZE]**

- a. Professional financial planner or accountant
- b. A professional stock broker

- c. Family member or friend with investment experience
- d. Website of a well-known, brand name investment company
- e. Business or financial media (e.g. Forbes, Wall Street Journal, CNBC)
- f. General web search
- g. A financial government agency like the SEC or the CFTC
- h. An investment seminar/program
- i. Specific website(s) dedicated to investment news and advice
- j. Syndicated investment research and subscription newsletters

Very important.....	1
Somewhat important.....	2
Not too important.....	3
Not at all important.....	4
Don't know.....	5

22. On making investment decisions, how often do you seek and follow the advice of a professional financial advisor?

All the time.....	1
Most of the time .....	2
Some of the time.....	3
Never.....	4

23. Which of the following do you generally do when selecting a professional financial advisor? Please select all that apply. **[RANDOMIZE]**

- a. Review performance history
- b. Get referral from a past client
- c. Confirm certifications and education
- d. Find affiliations with known investment firms
- e. Talk to for references
- f. Perform a general internet search on advisor
- g. Look for any past violations from the government
- h. Get referral from a past client
- i. Personally interview
- j. None of these
- k. I do not use a professional financial advisor

**[DEMOGRAPHICS]**

**[Please include the following information from file: Gender, Age, Education, Income, Region, Marital status, Employment status, Race, Urban/suburban/rural]**

24. Which of the following life events have you personally experienced in the last 2 years?  
Please select all that apply. **[RANDOMIZE]**

- Foreclosure on a mortgage or other loan default.....1
- Job loss for self or spouse.....2
- Significant home repair.....3
- Moved to a smaller home for financial considerations.....4
- Retirement for self or spouse.....5
- Death of spouse.....6
- A serious illness or medical injury in the family.....7
- Loss or downgrading of health insurance.....8
- Divorce.....9
- Child/grandchild enroll in college.....10
- Significant investment loss.....11
- Birth of child or grandchild.....12
- None of the above.....13