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MEDIA ADVISORY

UTAH DEPARTMENT OF COMMERCE AND INVESTMENT INDUSTRY COLLABORATE TO HALT FRAUD TARGETING A VULNERABLE ADULT

[Salt Lake City] — The Utah Department of Commerce’s Division of Securities, with help from an alert securities professional, recently halted an investment scam against a vulnerable adult. The quick action by private and public sector professionals prevented the loss of \$50,000.

“Sadly, much of our enforcement activity comes after investors’ money is lost,” said Chris Parker, Executive Director at the Department of Commerce. “I am pleased our professional staff acted quickly to protect this vulnerable investor from significant loss.”

The scheme, according to Thomas Brady, Director of the Utah Division of Securities, involved targeting an aging and vulnerable adult with promises of a luxury vehicle and a major sweepstakes prize in return for some up-front cash. “\$50,000 in fees and taxes might not sound like a lot in return for a top-of-the-line Mercedes and a cash prize of millions. But to a licensed investment professional, it has all the hallmarks of fraud,” said Brady.

After the target of the scam contacted their investment adviser to withdraw \$50,000 from a securities account for this “sweepstakes”, the adviser raised questions about the proposed transaction with the Utah Division of Securities. Division staff acted quickly. Brady said:

Within 24 hours, our Division actively involved every appropriate agency to protect this vulnerable adult. We take elder abuse seriously. Adult Protective Services, Unified Police, and the Division of Consumer Protection all sprang into action. After having the reinforcement of so many voices, our staff was able to convince the investor to cancel the transaction.

The Department of Commerce was able to stop the fraud quickly because of [2018 Senate Bill 88](#), Financial Exploitation of Vulnerable Adults (Sen. C. Bramble). State law now gives immunity to investment professionals who, in order to protect a vulnerable adult, take the time to prevent potentially fraudulent transactions and report their suspicions to the Utah Division of Securities. “The law provides the necessary framework to protect both the investor and the licensed investment professional,” said Brady. “It also gives our office another tool to fight senior exploitation in Utah. In this case, that’s just what it did.”

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