

Fake Certifications Attract Clients

State securities regulators like OFI continue to see a disturbing trend in the area of senior abuse. Unregistered investment professionals are using misleading titles and professional designations to attract new clients. Many of these designations indicate the person has a special expertise in working with the financial needs of seniors. While some of these designations reflect genuine credentials, many do not. These titles can serve as an easy way for unscrupulous investment professionals to gain a senior's trust, which is the first step in a successful fraud.

Often these designations are used with "free lunch" seminars. In other cases, they are highlighted in mass mailings, business cards, and other promotional materials. It is becoming more difficult for prospective investors – particularly senior citizens – to determine whether a particular designation represents a meaningful credential earned by the agent or is simply an empty marketing device. Use of such professional designations by anyone who does not actually have special training is likely to deceive investors. This type of aggressive marketing often results in *unsuitable* investments being sold to clients by salespersons with little consideration for the individual, specific needs of the senior client or understanding of the product they are selling.

The requirements to obtain designations and certifications vary greatly, as can the processes for monitoring compliance with a code of conduct or ethics used by the organization awarding the designation or certification. Investors often have incomplete information about the designation or certification when trying to determine which ones represent meaningful educational achievement by the salesperson, or which designation or certification merely represents a marketing tool. The certifications may mean no more than just "alphabet soup".

While there are organizations whose members complete rigorous programs of study and pass extensive examinations to earn "senior specialist" designations, there are other organizations that require little or no training to use one of these designations. Did the person attend a class, pursue continuing education on the matter, or just write out a check to buy the certification?

For this reason, senior investors should make sure they deal only with individuals who are registered with OFI, Louisiana's state securities regulator. OFI registers brokers and investment advisers after they pass rigorous competency examinations. Also, requesting a *CRD Report* from OFI on a registered investment professional will disclose *current* certifications and designations.

Current Certifications Recognized in Louisiana (As of August 2015)

1. CFP Certified Financial Planner
2. ChFC Chartered Financial Consultant
3. PFS Personal Financial Specialist
4. CFA Certified Financial Analyst
5. CIC Chartered Investment Counselor