

## CONTACT US

If you have questions, are aware of suspicious activities, or believe you have been defrauded, please let the CFTC know immediately. Call the CFTC or visit [www.cftc.gov/TipOrComplaint](http://www.cftc.gov/TipOrComplaint).

# COMMODITY POOL FRAUD

The Commodity Futures Trading Commission (CFTC) is the federal government agency that regulates the commodity futures, commodity options, and swaps trading markets. The CFTC wants you to be aware of a type of fraud that involves individuals and firms offering investments in commodity pools.



### COMMODITY FUTURES TRADING COMMISSION

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COMMODITY FUTURES TRADING COMMISSION

## COMMODITY POOLS

- Commodity pool operators are persons or firms that raise funds and pool them together to trade commodity futures and options.
- Most fraudulent commodity pools involve unregistered operators.
- Many commodity pool operators advertise and solicit investors based on false claims of high profits and low risk.
- In fraudulent commodity pools, the funds are often misused and spent on improper expenses.

## SIGNS OF A POSSIBLE FRAUDULENT SALES PITCH

- Leading you to believe you can profit from current news already known to the public.

*“As a result of that hurricane, the price of oil futures will increase substantially.”*

- Made through word of mouth referrals or emails from friends, relatives, members of churches or social groups—one fraudulent pool operator even solicited his cancer support group.
- Claiming to know unique market trends or to have a record of highly profitable trading.
- Promising quick, large and guaranteed returns.
- Contacting you asking for personal information such as your full name, phone number, email or home address.
- Requesting cash immediately.

## POSSIBLE PERSUASION TACTICS YOU MAY EXPERIENCE

- Dangling the prospect of wealth and enticing you with something you want, but can't have.

*“This deal is guaranteed to double in three months!”*

- Trying to build credibility by claiming to be with a reputable firm or to have a special credential or experience.

*“Believe me, as a senior vice president of EZY Money Inc., I would never sell an investment that doesn't produce.”*

- Leading you to believe that other savvy investors have already invested.

*“This is how Bob got his start. I know it's a lot of money, but I'm in—and so are my mom and half her club—and it's worth every dime.”*

- Offering to do a small favor for you in return for a big favor.

*“I'll give you a break on my commission if you buy now—half off.”*

- Creating a false sense of urgency by claiming limited supply.

*“There are only two units left, so I'd sign up today if I were you.”*

## BEFORE INVESTING IN A COMMODITY POOL, ASK, ASK, AND ASK SOME MORE!!

- Contact the CFTC at 866.366.2382 or the National Futures Association at [www.nfa.futures.org/basicnet](http://www.nfa.futures.org/basicnet) to check the company's registration status, business background, and disciplinary history.
- Ask for copies of the account statements that registered trading firms provide to the pool operator.
- Ask to see the commodity pool's risk disclosure documents and performance history.
- Ask about all fees and commissions charged by the commodity pool operator.
- Ask how the financial professional is qualified to provide you with this service.
- Ask how the product meets your financial needs.

