

The Fraud Prevention NEWSLETTER

ISSUE 3 / WINTER, 2024

From the Board

Thanks for your support!

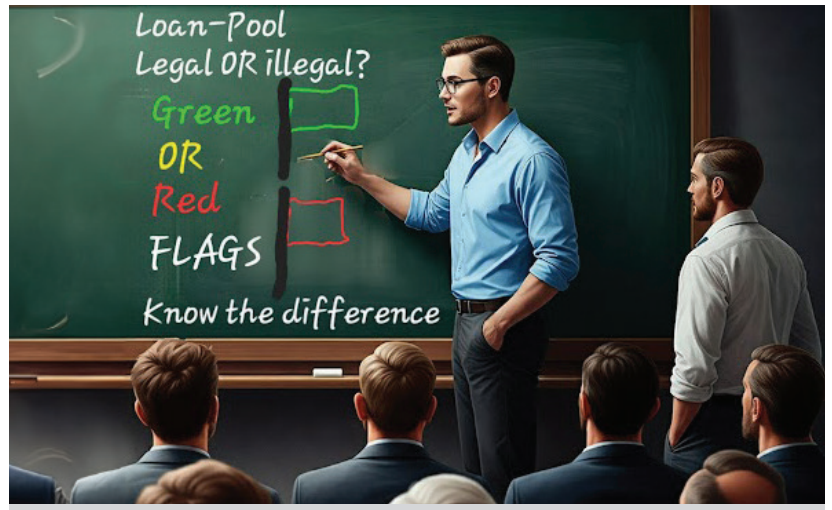
What a beautiful fall day! Summer has passed by so quickly, but fall is a nice time of year. As I sit here at my desk thinking about the last few years of my being involved with Fraud Aware, I will give a quick picture of when and why the Fraud Aware organization was formed.

In the late summer of 2020, a meeting took place with brethren from several Anabaptist Churches that had a common goal to look at how we could help prevent fraud. The initial focus was geared toward loan pool type investments. As a result of that meeting a board was formed in 2021. It soon became obvious that there was a much greater need than just loan pool investment fraud, and since then Fraud Aware has become involved in many other types of fraud education and prevention.

So, our goal will continue to be to provide fraud identification, education and prevention by reaching out to our parochial schools, church groups, and our communities. In general, we hope to keep providing books and other tools to help our brothers and sisters in our communities from becoming victims of fraud.

Thank you for all your support and interest in the cause. Please pray for the board that it may stay the course and provide a service to our community.

— Sam Blank



Private Investment Pools

Private investment pools have been operating within the plain community for many years. It is a way for our established brethren to help the younger brother get started and become established by loaning funds to them.

The investment pool is a three-way unit made up of the following:

1. The investor that provides the funds.
2. The borrower that needs the funds.
3. The group that is managing the operation.

Our commercial banks are for-profit businesses with higher operating costs and often cannot offer rates comparable to a private investment pool. This can be an advantage for the investor, who may receive a higher rate, and the borrower, who may receive a lower rate than the

commercial organizations can offer. Investment pools also carry some risk. In the last 15 years, approximately \$300 million has been lost to failed illegally operated investment pools and other scams within the plain communities. The Fraud Aware board was started as a result

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Fraud Aware is a conservative Anabaptist 501(c)(3) organization

"Moreover it is required in stewards, that a man be found faithful" — 1 Corinthians 4:2



**Fraud
AWARE**

a 501(c)(3) organization

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Old Order Amish

There are currently an additional Twenty-three brethren in six states, from ten different conservative Amish and Mennonite church groups serving as an advisory board, as well as a seven member Indiana State committee. An active goal is to establish additional state committees to further connect and share resources with more plain communities.

Private Investment Pools (cont.)

of a group of brethren working to help clean up a failed illegal investment pool situation. Their efforts gave them a burden to help avoid this from happening to others. Should you invest in an investment pool? The following four checkpoints should be considered before investing.

1. Legality—Is the loan pool properly registered with the State Securities Commission or the SEC? Are prospectus documents distributed regularly?

2. Accredited—Is the loan pool's audited financial statements, prepared by an unaffiliated CPA firm, readily available and distributed?

3. Oversight—Does the loan pool have a legitimate board of directors who have and use their authority to make all major decisions for the loan

pool? In the multitude of counselors, there is safety. Proverbs 11:14

4. Return on Investment (ROI)—Are the interest rates of the money pool comparable to average market rates? The interest rates may be an indicator of the risk level. And remember, if it's too good to be true, it probably is. Had all investors followed these four checkpoints, most of the above losses likely would have been avoided.

As a private individual, can you directly help another individual financially without breaking the law? Certainly! However, we strongly suggest you consult a CPA or Attorney to ensure you do it ethically. There are certain best practices and requirements you need to abide by.

—Kenneth Weaver

Man Targeted in Overpayment Scam

A recent call highlighted the importance of being Fraud AWARE.

We received a call from a man in a distant state who was very distressed about a potential scam. He had advertised machinery repair parts for sale, priced at \$450. A buyer quickly agreed to the price and sent a certified check for \$1,000, instructing the seller to give the additional \$550 to the pickup driver for his services.

Alarm bells went off when the man took the check to the bank and

learned it would take seven days to clear. Wisely, he consulted his neighbor, a detective, who confirmed his suspicions about it being a scam.

Despite this confirmation, the man felt guilty about keeping the parts until the check cleared. When he informed the so-called buyer of his concerns, he became very angry and aggressively pressured him to send a refund immediately, which identified him as a Scammer. This whole situation caused the seller a great deal of anxiety.

Disclaimer: The information included in this newsletter is only a guide, and we are not investment advisors. You must seek advice from qualified advisors before investing your funds.

Overpayment Scam (cont.)

This situation highlights

SEVERAL KEY POINTS:

- **Overpayment scams are common:** This is a classic tactic in which scammers send a check for more than the agreed-upon amount, hoping the victim will release the excess funds before the check bounces.
- **Guilt is a powerful weapon:** Scammers often use guilt trips to manipulate their victims into complying with their demands.
- **Don't be afraid to seek counsel:** The man did the right thing by consulting his bank, his neighbor, and Fraud Aware.

ADVICE FOR OUR READERS:

- **Never accept overpayment:** If someone sends you a check

for more than the agreed-upon amount, it's a red flag.

- **Counterfeit Checks:** Watch out for counterfeit checks. Have the check clear before releasing delivery.
- **Don't give in to pressure:** Scammers often use high-pressure tactics to get what they want. Don't let them rush you into making a decision.
- **Trust your instinct:** If something feels off, it probably is.
- **Share your experiences:** Sharing your experiences helps others avoid becoming victims.

Identification - Education - and Prevention is our goal...
Be Fraud AWARE.

Another New Book!



Thousands of scammers make a living by stealing from people like you!

Using simple language, this parable exposes a few of the tactics that scammers use today to defraud unsuspecting people. Learn to arm yourself against the onslaught of modern scammers.

Will you be their next victim?

Fraud Aware books are now being distributed by Christian Light Publications. Please contact Christian Light Publications or check with a local bookstore to purchase a copy or visit the Fraud Aware booth at one of our upcoming events for a free copy.

Financial Report

10-1-23-
9-30-24

Opening balance 10-1-23.....	\$8,808.26
Total contributions.....	\$101,755.60
Disbursements	
Ads, Newsletter, mailing, etc.	6,798.31
Expo: Booth rental, set up & travel	20,367.32
Literature design & printing	9,205.99
Book- The village: publishing & distribution	37,581.70
Book-Scams: writing, design.	11,970.41
Other expense	2,640.62
Total Expenses.....	\$88,564.35
Ending Balance 9-30-24.....	\$21,999.51

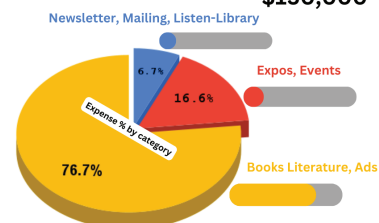
Donations will make it possible for Fraud Aware to continue printing and offering free books and literature. To those who are interested in helping with printing, mailing and other costs, contributions can be sent to:

Fraud Aware
c/o Kenneth R Weaver,
treasurer
432 Frederick Rd,
Milton, PA 17847

ESTIMATED

Expenses for 2025

\$150,000



For Fraud → IDENTIFICATION ↔ EDUCATION ↔ PREVENTION

FRAUD

- ▶ Identification
- ▶ Education
- ▶ Prevention



*A conservative
Anabaptist resource for
fraud identification,
education, and
prevention.*

**We are a 501(c)(3)
non-profit organization.**

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To be added to our Newsletter Mailing list

Fill out this form and mail it to:

Fraud Aware P.O. Box 34, Ephrata, PA 17522

Newsletter is mailed twice a year

Name

Address

City

State

Zip/Postal Code

Our Event Schedule

Stop by and meet some of the Fraud Aware members and pick up FREE LITERATURE at these events. We look forward to connecting.

- MIDWEST TOOL EXPO & AUCTION
Shipshewana, IN - January 23, 24 & 25

FREE SEMINAR ON SCAMS
at the MIDWEST TOOL EXPO
- Friday, Jan 24 at 11am

- MT HOPE SHOWCASE
/ AIR WORKS AUCTION,
Mt Hope, OH - February 13, 14 & 15
- HORSE PROGRESS DAYS
Clare, MI - July 4 & 5

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to help you become more AWARE

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- 2 Small Business Advertising Scam
- 3 Millions of Dollars and a New Car
- 4 Counterfeit Stamp Fraud
- 5 Identity Theft and a Close Call
- 6 Threats and Manipulation
- 7 Fraud Presentation Harrison School, IN

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