

Protecting Family Finances by Avoiding Fraud

By Karianne Salisbury, Church Magazines

Editor's note: *In February 2008 the First Presidency issued a letter warning against becoming entangled in fraudulent investments. The following article explores some of the common warning signs of fraud.*

As a young college graduate, Marshall Romney knew very little about investing when he became interested in the money market. After talking with co-workers who were making a profit through gold and silver investments, Brother Romney decided this was the investment for him. He bought a bag of coins, arranged to store the coins with the company he purchased them from, and

later used a bank loan to buy more bags.

Unfortunately, the value of the coins stopped going up and started going down. In addition to getting into debt, Brother Romney discovered the company he invested in had disappeared. They had exploited their customers by selling nonexistent bags of gold, which they conveniently offered to store in their secure warehouse. Brother Romney was a victim of fraud.

Like many profiting from investment schemes, this company had capitalized on what was a very hot market at the time. But swindlers won't stop there.

Brother Romney, now a professor at Brigham Young

University with a research specialty in fraud, said cases of fraud are becoming more common and are a concern for everyone, including Church members.

"Today investment fraud comes in all shapes and sizes, but many share similar characteristics that should raise suspicion," he said.

While any investment holds some level of risk, schemes designed to deceive will often demonstrate a sense of urgency, propose a guaranteed profit with little risk, or persuade by using well-known referrals.

Sense of Urgency

An opportunity that requires an immediate

response is typically a clear sign of fraud. Someone trying to sell an opportunity may try to persuade by saying it's the chance of a lifetime or only a certain number can participate, but the need for a quick decision means there is little or no time to think about the commitment or to check the background of the investment.

Elder M. Russell Ballard of the Quorum of the Twelve Apostles emphasized the importance of carefully evaluating financial decisions in a 1987 general conference address.

"There are no shortcuts to financial security," Elder Ballard said. "Do not trust your money to others without a thorough evaluation of any proposed investment. Our people have lost far too much money by trusting their assets to others. In my judgment, we will never have balance in our lives unless our finances are securely under control" ("Keeping Life's Demands in Balance," *Ensign*, May 1987, 13).

Fraudsters will try to create a sense of urgency to encourage investors to jump in before various concerns or anxieties can settle. It is important to take the time to carefully consider each aspect of the decision. A quality investment opportunity will be around long enough to allow the time needed to fully contemplate the options.

Guaranteed Profit, Little Risk

Who could turn down an investment opportunity with virtually no risk and



Church leaders have warned members to be wise in their investments.

guaranteed profit? It almost seems too good to be true, and according to Brian Sudweeks, an associate professor of finance at Brigham Young University, it probably is.

“No one can promise a consistently high specific rate of return, and there are no ‘get rich quick’ schemes that work on a consistent basis,” Brother Sudweeks said. “Guaranteed high returns are never guaranteed or high.” But promoters will often propose such ideas, appealing to the desire to see a fast return and immediate profit.

Brother Sudweeks encourages potential investors to apply two important principles to any investment decision.

“First, know what you invest in and whom you invest with,” he said. “Second, invest only with high-quality individuals and institutions.”

Often a scheme continues to operate simply because investors don’t know what they are investing in, only that they see a return. As new investors contribute money, those funds go to pay previous investors, creating a never-ending shuffling of money that eventually collapses.

Elder Joseph B. Wirthlin of the Quorum of the Twelve Apostles explained in a general conference address in 2004 that members sometimes get caught in notions of greed or selfishness that can lead to unwise and foolish financial practices.

“Brothers and sisters, beware of covetousness,” he

said. “It is one of the great afflictions of these latter days. It creates greed and resentment. Often it leads to bondage, heartbreak, and crushing, grinding debt” (“Earthly Debts, Heavenly Debts,” *Liabona*, May 2004, 40).

Well-Known Referrals

Most individuals are more likely to participate in an investment opportunity if they know their sister, home teacher, neighbor, or co-worker is also participating. Promoters will often use these examples to appeal to and build some level of trust. While it may or may not be true that these friends and acquaintances are involved, investors cannot responsibly respond to this elevated form of peer pressure.

“A lot of people don’t understand the proper principles of investments and don’t want to take the time to research and investigate something,” Brother Romney said. “Instead they rely on the fact that someone else has investigated it. When they hear the names of people they know, they automatically assume the research has been done.”

With a countless number of fraud schemes come just as many types of fraudsters. While terms such as *swindler* or *scammer* may bring a stereotypical image to mind, there are no set characteristics of someone promoting fraudulent investments. In fact, they may be typical acquaintances from work or church, family members, or close friends, and they may

not even know the depth of what they are involved in.

“Ask yourself if you are interested solely because you know someone else involved,” Brother Romney said. “If this is the case, perhaps take a step back and really look into the background of the investment. No matter how trustworthy the source seems, potential investors should never make a decision based solely on the advice of others.”

Avoiding Fraud

As investment fraud becomes increasingly common, Church leaders have offered counsel to avoid unwise investments and stay out of debt.

“We again urge our people to avoid unnecessary debt, to be modest in the financial obligations which they undertake, to set aside some cash against an emergency,” said President Gordon B. Hinckley (1910–2008) in a general conference address in 2003. “We warn our people against ‘get rich’ schemes and other entanglements which are nearly always designed to trap the gullible” (“The Condition of the Church,” *Liabona*, May 2003, 4).

In February 2008 the First Presidency issued a letter to general and local leaders in the United States and Canada with a message to be prudent in managing financial affairs. They offered concern about individuals who may use relationships of trust to promote risky schemes and shared sound financial principles to manage risk: “First, avoid unnecessary debt, especially

consumer debt; second, before investing, seek advice from a qualified and licensed financial advisor; and third, be wise.”

Resources exploring the basics of family finances are available on the Church’s Web site, ProvidentLiving.org. The site features an online financial course, references to talks from Church leaders, lesson materials, and access to additional resource material. ■

New Mission Presidents Now in Place

Accepting assignments from the First Presidency, 124 new mission presidents began serving on or around July 1, 2008. The missions and their respective new presidents are:

Mission	New President
Alaska Anchorage	Alan Roy Dance
Albania Tirana	John Martin Neil
Argentina Buenos Aires West	Evrett Wade Benton
Argentina Mendoza	James Blaine Lindahl
Argentina Resistencia	Jorge Luis del Castillo
Argentina Rosario	Jorge Marcial Villalba
Argentina Salta	Dan Northcutt
Arizona Phoenix	Paul Sherman Beck
Arizona Tucson	Wesley Paul Walker
Arkansas Little Rock	Robert Wyman Drewes
Baltic	Douglas Leon Dance
Bolivia Cochabamba	Miguel Angel Tenorio Dominguez
Brazil Brasilia	Gelson Pizzirani
Brazil Florianopolis	Walter Guedes Queiroz Jr.

Brazil Fortaleza Alan Charles Batt
Brazil Maceió Gary Ray Beynon
Brazil Manaus David Woodward Jayme
Brazil Recife Mário Hélio Emerick
Brazil Ribeirão Preto Ricardo Vieira
Brazil Rio de Janeiro Antonio Kaulle Machado Bezerra
Brazil Rio de Janeiro North Scott Warren Pickett
Brazil Salvador Carlos Roberto Toledo
Brazil São Paulo Interlagos Christopher George Jackson
Brazil São Paulo North Jeffry Lynn Cooley
Brazil São Paulo South Stephen Darrow Richardson
California Anaheim Steven Bennett Watrous
California Arcadia Oscar Arthur Pike
California Fresno John Arthur Gonzalez
California Riverside Melvyn Kemp Reeves
California Roseville Mark James Pendelton
California Sacramento James Stuart Jardine
California San Diego Lee Leonard Donaldson
California San Jose Eric Michael Jackson
California Ventura Wayne Dale Murri
Canada Toronto East Chris Allan Eyre
Canada Vancouver Kent Kruger Nelson
Cape Verde Praia Joselito Medina Costa Neves
Chile Concepción South Joe Neil Swenson
Chile Osorno Kenneth David Lovell
Chile Santiago North Michael Edward May
Colombia Cali Edgar Nain Bolivar Forero
Colorado Colorado Springs Brian Loyal Pfile
Colorado Denver North Gary Gail Ely
Connecticut Hartford Hugh Gary Pehrson
Cote d'Ivoire Abidjan Yapo Ayekoue

Dominican Republic Santo Domingo East Guillermo Arturo Antivilo Rojas
Dominican Republic Santo Domingo West Juan Evangelista Almonte
Ecuador Guayaquil North Jose Wilson Gamboa Galvez
Ecuador Quito Timothy Quinn Sloan
El Salvador San Salvador East Alex Moroni Perez Ulin
El Salvador San Salvador West/Belize Alejandro Lopez Mota
England Manchester David John Bullock
Fiji Suva William Orval Ostler
Finland Helsinki David Blaine Brown
Florida Fort Lauderdale J. Nathan Hale
France Paris Don Hansen Staheli
France Toulouse Michel Joseph Jules Carter
Georgia Atlanta North Steven Douglas King
Georgia Macon Mark Oliver Bowman
Germany Frankfurt Kevin John Ninow
Germany Munich/Austria Robert Gideon Condie



Missionaries in 124 missions received new mission presidents.

Ghana Accra Byron Lindsey Smith
Ghana Cape Coast Melvin Burns Sabey
Guatemala Guatemala City Central Richard Allen Baldwin Jr.
Guatemala Guatemala City North David Jaime Torres Rodriguez
Guatemala Guatemala City South Herbert Edgardo Alvarado Renderos
Guatemala Quetzaltenango Ramón Darío Lorenzana Reyes
Honduras Tegucigalpa Luis Gerardo Chaverri Madrigal
Japan Hiroshima Yoshiaki Isa
Japan Kobe William Arthur McIntyre Jr.
Japan Sapporo Lee Alford Daniels
Japan Sendai Reid Tateoka
Kentucky Louisville Steven George Glende
Korea Busan Kenneth Wayne Jennings Jr.
Louisiana Baton Rouge William George Woods
México México City North Daryl Nancollas
México Oaxaca Leobardo De La Cruz Rosales
México Puebla Steven Glen Rex
México Tijuana Robert Hernan Heyn
México Torreón Bruce Richard Clark
México Tuxtla Gutiérrez Guillermo Velasco Coronado
México Veracruz Jay Peter Hansen
Michigan Lansing Marc Ducloux Jones
Minnesota Minneapolis Mark Douglas Howell
Missouri Independence George Johan William Van Komen
Nevada Las Vegas Peter Kevin Christensen
New Jersey Morristown A. Lee Bahr
New Zealand Auckland Benson Lee Porter
New Zealand Wellington Clive Richard Jolliffe
Nigeria Enugu Jerry Reid Boggess
Nigeria Lagos East Spencer Bennion Jones
Nigeria Lagos West Gary Leslie Neuder

Ohio Columbus Robert Forrest Jensen
Oregon Eugene Thomas William Macdonald
Oregon Portland Timothy John Dyches
Pennsylvania Pittsburgh Lane Alma Summerhays
Peru Lima East Juan Augusto Leyva Ponce
Philippines Angeles Rudy Burt Puzey
Philippines Cebu Darrel Parke Hansen
Philippines Davao Jairus Cinco Perez
Philippines Manila Mark James Howard
Philippines Olongapo Dave Advincula Aquino
Philippines San Pablo Richard Edwin Anderson
Philippines Tacloban Edwin Valencia Malit
România Bucharest James Scott Lundberg
Russia St Petersburg Gennady Nikolaevich Podvodov
Samoa Apia Otto Vincent Haleck Jr.
Slovenia/Croatia David Henry Hill
South Africa Cape Town Randall K Probst
South Africa Johannesburg David Edward Poulsen
South Carolina Columbia Stephen Lowell McConkie
Sweden Stockholm Larry Ernest Anderson
Tahiti Papeete Matthew Artell Smith
Tennessee Knoxville James Ermon Griffin
Tennessee Nashville Gary Lynn Hutchings
Texas Dallas Barry Morgan Smith
Texas Houston Todd Bailey Hansen
Texas Houston East Dan Edward Moldenhauer
Texas Lubbock John Lee Robison
Ukraine Donetsk Timothy Lee Fry
Ukraine Kyiv Lane Orin Steinagel
Venezuela Caracas Freddy Valentin Herrera Molina
Washington Tacoma Harvey Kent Bowen
West Virginia Charleston Michael William Thornock ■

AROUND THE CHURCH

Saints in Spain Celebrate Church History

Church members in Spain will hold an extended celebration from October 2008 through May 2009 to commemorate the official recognition of the Church in October 1968 and the dedication of Spain for the preaching of the gospel. Organizers intend to involve

the community through open houses and service projects.

On May 20, 1969, Elder Marion G. Romney dedicated Spain for the preaching of the gospel. A month later, the first missionaries in more than 30 years arrived—missionary attempts in 1932

failed because of restrictive laws. By 1975, 17 branches operated in Spain. The Madrid Spain Stake was formed in 1982, followed by eight additional stakes and the 1999 dedication of the Madrid Spain Temple. More than 41,000 members reside in the country. ■

Québec Saints Celebrate City's Birthday

Latter-day Saints in Québec City, the capital city of Canada's Québec province, will join in the celebration of the city's 400th birthday in July and plan to welcome visitors to a handful of their own commemorative events, including a performance by a dance company from Brigham Young University–Idaho.

Established as a fur-trading post in 1608, Québec City helped produce explorers influential in the exploration of North America, including parts of Utah. The journals and reports of explorers from the St. Lawrence Valley—such

as Etienne Provost (1785–1850), namesake of Provo City, and Peter Skene Ogden (1794–1854), namesake

of Ogden City—helped prepare the way for the Mormon exodus to the Rocky Mountains. ■



The hotel Château Frontenac dominates the skyline of 400-year-old Québec City.

Osmonds to Be Honored at Pioneer Day Concert

July's Pioneer Day concert in the Conference Center will feature not only "America's Choir," but also America's favorite family. The Osmond family—including the Osmond Brothers, Donny and Marie, and Jimmy—will perform with

the Mormon Tabernacle Choir and Orchestra at Temple Square.

"The members of this wonderful musical family are true pioneers, not only as Latter-day Saints in the entertainment business, but also as landmark recording and

performing artists," said Mack Wilberg, director of the choir.

The concerts on July 25 and 26, 2008, will pay tribute to the Osmonds' 50-year legacy, which includes 142 albums with more than 100 million copies sold and 51 gold and platinum recordings. The concert will also feature traditional favorites. Go to www.lds.org/events for information. ■

Church Responds to Myanmar Disaster

With death toll estimates reaching 100,000 in Myanmar's Irrawaddy Delta region, the Church responded quickly to the disaster caused by Cyclone Nargis on May 2 and 3, 2008.

Partnering with Atlanta-based CARE International, a nongovernmental organization, the Church's initial response included a large donation for purchasing clean drinking water, tarps, blankets, basic food items, and medical equipment. The items were purchased by CARE International in Myanmar or in nearby countries for distribution to victims.

A week later, the Church sent 142,000 pounds of emergency relief supplies by plane. Some 13,000 first-aid kits, along with hygiene kits, tarps, blankets, food, and medical equipment were sent to Bangkok, Thailand, where CARE made arrangements to deliver the supplies to Myanmar hospitals and clinics.

LDS Philanthropies will continue to accept donations at www.LDSPhilanthropies.org. Donations not sent to Myanmar will be held for quick distribution in the event of a new catastrophe elsewhere around the world. ■

Genealogy Guides Aid in Research

FamilySearch.org has added England and Scotland to its online collection of *Finding Records of Your Ancestors* genealogy guides. The free, downloadable workbooks explain each step of the research process and include important Web sites, search tips, and information on how to find and use different records.

The series includes Denmark, Finland, France, Iceland, Italy, Mexico, Norway, and Sweden guides. The guides are currently available in English; the Mexico guide is also available in Spanish. There is also a guide for those searching for African-American ancestors. Access these and other helps at FamilySearch.org. Click the **Search** tab, then **Research Helps**.

FamilySearch Web Site Enhanced by FamilyLink

A partnership with FamilyLink.com will improve navigation on FamilySearch.org, reduce research time, and allow major search engines to comb the Church's Family History Library Catalog.

The new Web elements provided by FamilyLink.com will allow users to link directly to other sources, post comments, and make contributions such as adding missing information to a source. Some of the enhancements will be implemented in 2008.

British Soldiers, Seamen Records on FamilySearch

FamilySearch is teaming with a United Kingdom family

history Web site to provide online access to records of deceased British soldiers and seamen dating as far back as the eighteenth century.

Findmypast.com and FamilySearch received licenses to digitize the Chelsea Pensioners retired soldiers' records from 1760 to 1914. Another project will make available British merchant seamen's records from 1835 to 1941. Many of the twentieth-century records will include photographs of sailors and personal details of naval voyages.

U.S. Civil War Records, 1860 Census Online

Footnote.com has granted permission for FamilySearch to publish Civil War pension indexes and the 1860 U.S. Census, which includes some slave ownership information. The files usually include a soldier's full name, rank, and company. Though the war ended in 1865, the pension index extends to veterans who served between 1861 and 1917. Users will be able to search segments of the collections as they are uploaded to pilot.familysearch.org/recordssearch.

Resources for Family History Leaders Available Online

New training resources for priesthood leaders who oversee temple and family history work are now available on LDS.org.

These resources include interactive lessons designed to help leaders direct family history efforts. Additionally, the *Administrative Guide for Family History*, which

supplements the *Church Handbook of Instructions*, is now available in 19 languages.

These resources can be found at LDS.org by following

links from **Serving in the Church**, to **Family History**, and then to **Priesthood Leadership of Family History**. ■

Comment

Inspiring Prophetic Messages

I have been traveling for a long time. As a result, many aspects of my life have not been constant. Then I arrived at a friend's home in the United States who is a member of the Church. There was a copy of the *Ensign* there. I picked it up and read the message from President Thomas S. Monson.

This message changed my heart. I have shared it with many others, and it has touched their hearts as well. It is light and inspiration to me and for our time.
Maria Hessenauer, England

Sacred Words

I just wanted to thank you for publishing the wonderful story, "Sacred Words," by Edwin Smith in the April 2008 *Ensign*. I was so touched to read it. I, too, had a micro-preemie, born at the same gestation and close to the same weight as Annie. It has not been an easy road. There are not a lot of these babies who survive, so it was heartwarming. Thank you!
Kristy Christopherson, California

First Presidency Cover

During a home teaching visit last evening we all agreed that the photograph of the First Presidency on the cover of the April 2008 *Ensign* is a

"true keeper." It is, I believe, both refreshing and important to see our leaders in such a natural situation. Thank you so much for all your efforts on behalf of the Church and the work.

Richard L. Godfrey, Utah

Journal Keeping

I enjoyed reading the article in the April 2008 *Ensign* titled "My Journal, My Testimony," by Salli Hollenzer. I have kept a journal since I turned 12 in 1977. My very first journal was a notebook that I received at a Young Women New Beginnings night at church. At first I didn't keep up with my writing—in fact, I misplaced my journal and couldn't find it for three months. But after that I was determined to write in it as often as I could.

I don't have as many journals as Salli has, but I too have come to value deeply my journals and all that is in them. I can go back to any day of the year and see what I was thinking about and doing and saying, and what other people were doing and saying, and remember some of the important events in my life.

Thank you very much. Keep up the wonderful stories that you share with us, your readers.
Genevieve Berthiaume, Oregon