

How to Help Prevent Friends and Family from Being Scammed

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Situation: You have a family member or friend that is continuing to send money to scammers or send money to fraudulent investment platforms. But they don't believe you and/or you think they are going to continue sending (and losing) money anyway. What do you do?

1. The first step to take is to try and educate your friend or family member from being scammed (or losing more money to the scam). This requires understanding and explaining what the scam is, and how it works, and why it's fraudulent. And it involves pointing to relevant red flags that would suggest it's a scam (e.g. lack of news/media publicity).

A lot of time this education from a friend or family member will enlighten the user, steering them away from the scam and other similar scams in the future. But sometimes, the user's confirmation bias that the 'investment platform' is legitimate is simply too strong to overcome. People don't want to admit they've been duped into a scam, so choose to believe it's legitimate, even when faced with red flags and warnings.

2. If the first step fails, then another approach may be warranted. Rather than pointing out all the reasons the victim is being scammed (which may insinuate that the victim is stupid, and in turn make them combative), ask the victim pointed questions about how it works, and how they came across this 'opportunity.' Ask the right questions, and in such a way that it leads the victim themselves to come to their own conclusion that it's sketchy and/or filled with red flags. Consider the following examples of questions to ask the victim:

- a) How did you find out about this website/platform/opportunity? [Likely answer = From a 'friend']
- b) Where did you meet this friend and how long have you known them?
- c) Have you ever met this friend in person? Or at least on a video call? Where are they from?
- d) Is this website/platform/opportunity been discussed about in news publications? Which ones?
- e) Why isn't it in the news if it's such a profitable investing opportunity?
- f) Who are the founders behind the platform?
- g) Where is the platform legally registered and based?
- h) Have you tried to withdraw your money before? Was it successful? If you've never tried, why not try and do so now and let's see what happens and if you are successful in withdrawing your money?
- i) Who else do you know that recommends this platform?
- j) Is the platform talked about on social media or Reddit? Do they have active social media profiles? What do people have to say about it in general on social media?

The above questions are all designed to get the victims who are in denial to think and question themselves, guiding them to the red flags so they see them on their own, and come to their own conclusions.

3. If someone other than the victim has control or access to the victim's bank accounts, such as their spouse, it may

be time to inform them to see if they can take action to prevent the victim from further losing any more funds.

4. The final option involves contacting cryptocurrency exchanges and/or banks directly, informing them that the victim has been scammed, and is continuing to send money to the scam.

When contacting the relevant cryptocurrency exchanges, you'll first need to identify which exchange(s) the victim is using to purchase cryptocurrency. Coinbase, Kraken, [Crypto.com](https://crypto.com) and Gemini are amongst the common legitimate exchanges used to purchase cryptocurrency. Then submit a support ticket to the applicable exchange informing them of the victim's name, email address, and the nature of the scam. This will normally prompt the exchange to conduct enhanced due diligence to verify if their client is being scammed and/or may result in the legitimate exchange restricting the account from performing withdrawals (to the scam).

Banks sometimes conduct enhanced due diligence or place restrictions on bank accounts as well, including in cases where there are cryptocurrency-related purchases that the bank has reason to believe are associated with high risk activity or where the victim may be getting defrauded.

The above measures can cut off a victim's ability to send cryptocurrency to the scam, or to buy cryptocurrency altogether, thus preventing the victim from losing more money to the scam.
