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CFTC Customer Advisory Alerts App and Social Media Users to Financial Romance Fraud

Valentine's Day Brings Romance Investment Scams Back to Forefront

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Customer Advisory: Six Warning Signs of Online Financial Romance Frauds

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Washington, D.C. — The Commodity Futures Trading Commission's Office of Customer Education and Outreach (OCEO) today issued a customer advisory alerting dating/messaging app and social media users to a scam asking for financial support or giving investment advice using the platforms.

Just in time for Valentine's Day, the Customer Advisory: *Six Warning Signs of Online Financial Romance Frauds*, reminds app and social media users to be wary of texts and messages from strangers that promote cryptocurrency investments. The text could actually be from international criminal organizations. These criminal organizations trick victims into investing money in cryptocurrency or foreign currency scams only to defraud them. The scam can take advantage of even the savviest of investors because fraudsters develop relationships with their victims through weeks of seemingly authentic text messaging conversations, a practice known as "grooming." The financial grooming gangs refer to this fraud as "sha zhu pan" or pig butchering.

"Financial grooming frauds can happen at any time, but Valentine's Day is a perfect opportunity to remind people that dating and messaging apps and social media can be platforms for scams and fraudulent activity," said OCEO Director Melanie Devoe. "As the old saying goes, if it sounds too good to be true, it probably is."

The advisory points out several warning signs of a financial grooming fraud. These warning signs include fraudsters attempting to move conversations from a dating or social media platform to a private messaging app, as well as their claims of wealth from cryptocurrency or foreign currency trading due to insider information. The advisory also includes steps users can take to avoid financial grooming frauds.

The CFTC recently filed a complaint related to financial grooming fraud. The CFTC alleged Debiex used popular romance scam tactics to fraudulently misappropriate \$2.3 million in customer funds intended for digital asset commodity trading. As alleged, Debiex solicited Americans to invest in digital asset commodities based on false claims about their experience as traders or their access to inside information. [See CFTC Press Release No. [8850-24](#)]

The CFTC has previously alerted customers to romance frauds. In 2022, the CFTC joined five federal agencies to launch "*Dating or Defrauding?*," a national awareness campaign to alert the public to romance scams that target victims largely through dating apps or social media. [See CFTC Press Release No. [8491-22](#)] As part of the campaign, the CFTC issued, [Customer Advisory: Avoid Forex, Precious Metals, and Digital Asset Romance Scams](#). [See CFTC Press Release No. [8492-22](#)]

Individuals with knowledge of domestic financial grooming gang operations are encouraged to [submit a tip](#) to the CFTC's Whistleblower Program. The CFTC's [Whistleblower Office](#) issued a [Whistleblower Alert on Romance Investment Frauds](#) that details the types of information the CFTC's Division of Enforcement would find valuable to launch or assist in investigations. Whistleblowers may be eligible to receive between 10 and 30 percent of the monetary sanctions collected, paid from the CFTC Customer Protection Fund financed through monetary sanctions paid to the CFTC by violators of the Commodity Exchange Act.

About the Office of Customer Education and Outreach (OCEO)

OCEO is dedicated to helping customers protect themselves from fraud or violations of the Commodity Exchange Act through the research and development of effective financial education materials and initiatives. OCEO engages in outreach and education to retail investors, traders, industry organizations, and the agricultural community. The office also frequently partners with federal and state regulators as well as consumer protection groups. The CFTC's full repository of customer education materials can be found at: <https://www.cftc.gov/LearnAndProtect>.

The Customer Advisory is available in full below and on CFTC.gov.

Beware of unsolicited financial or investment advice you receive from people you meet online. That "wrong number" text or "like" you receive from an attractive stranger may actually be from an international criminal organization using a fake name and photo. Financial romance and grooming gangs stole more than \$3.5 billion in 2023 by convincing people they were starting a friendship or romantic relationship with an actual person. Conversations turn to money and soon the "friend" wants you to trade crypto assets or foreign currency. Building the relationship or "grooming" can take several weeks before the crypto-confidence fraud occurs. The gangs committing these frauds call it "sha zhu pan" otherwise known as pig butchering.

Warning Signs:

1. Your new online "friend" wants to move the conversation to a private messaging app.
2. They message frequently but can never meet in person.
3. They claim to be wealthy due to crypto or foreign currency trading successes. They sometimes claim this success is based on inside information from an uncle or other insider.
4. They encourage you to open an account and recommend a trading website that only accepts cryptocurrency.
5. They tell you to invest in crypto and send the funds to their wallet or a particular trading platform.
6. You follow their directions and make a lot of money quickly or easily.

At first, you may be encouraged to withdraw some of your profits and invest more. Eventually, you are "locked out" of your account and forced to pay more money (commonly in fake fees or "taxes") or have your ID verified to get any of your money back. Finally, the scammer vanishes along with your money.

Steps You Can Take:

- Remember the warning: If it sounds too good to be true, it probably is.
- Keep conversations on the dating/social media platform.
- Never mix money with long-distance relationships.
- Screen capture the potential scammer's picture and use reverse image searches to see if the photos have been used in other scams or by other people.
- Do everything you can to verify their identity. Conduct online searches to verify your new friend's identity and check his or her registration status at [cftc.gov/check](https://www.cftc.gov/check).
- Check the trading website you're sent to see how long it has been registered at lookup.icann.org.
- Report the fraud to [cftc.gov/complaint](https://www.cftc.gov/complaint) or the FBI at [ic3.gov](https://www.ic3.gov), as well as to the relevant social media or dating platform and digital exchange.

Blow the Whistle:

- If you know of U.S.-based financial grooming gang operations, such as individuals opening bank or digital asset accounts for these gangs, submit a tip at [whistleblower.gov](https://www.whistleblower.gov). Whistleblowers do not need to be victims or insiders.
- Whistleblowers may receive 10 percent to 30 percent of what the CFTC collects if their tip leads to a successful CFTC enforcement action. To learn more, read the CFTC's Romance Investment Fraud Whistleblower Alert at [whistleblower.gov/whistleblower-alerts](https://www.whistleblower.gov/whistleblower-alerts).

This article was prepared by the CFTC's Office of Customer Education and Outreach. It is provided for general informational purposes only and does not provide legal or investment advice to any individual or entity. Please consult with your own legal advisor before taking any action based on this information. This advisory references non-CFTC websites, and organizations. The CFTC cannot attest to the accuracy of information in those references. Reference in this article to any organizations or the use of any organization, trade, firm, or corporation name is for informational purposes only and does not constitute endorsement, recommendation, or favoring by the CFTC.

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- CFTC Regulations
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