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**Joint Effort Launches to Warn Retirees about Precious Metals Fraud and Gives Tips on Protecting Themselves**

March 20, 2024

**Washington, D.C.** — The Commodity Futures Trading Commission’s Office of Customer Education and Outreach (OCEO), the Financial Industry Regulatory Authority (FINRA), and the North American Securities Administrators Association (NASAA) have joined forces to warn people in or near retirement about gold and silver investment scams that tout over-priced metals and coins as “safe investments,” but instead charge exorbitant markups, commissions, and fees. In many cases, the transaction costs and ongoing fees make it impossible for victims to ever profit from their investments.

Today the CFTC and FINRA issued *10 Things to Ask Before Buying Physical Gold, Silver, or Other Metals*, an investor bulletin that lists the questions people should ask before making a physical precious metals purchase. The CFTC also released *Lies Versus Facts: The Truth Behind Gold and Silver IRA Scams*, a one-page, downloadable flier that highlights the common lies scam dealers tell.

Fraudulent precious metals dealers often push the idea of retirement plan rollovers for one simple reason—that’s where most people have the bulk of their investing dollars. The scam dealers target older people because they can more easily access the money in their retirement plans and they typically have saved more than younger people.

The scams also use common affinity fraud techniques, purposefully targeting people with specific political and religious beliefs. These fraudulent metals dealers infiltrate social media groups, and target advertising to access subscribers or follower lists. They then send spam email or make cold calls using high-pressure and often deceitful telemarketing techniques. They even steal images of popular religious leaders, pundits, and celebrities to create fake endorsements.

Precious metals scams can be a particular threat to holders of self-directed individual retirement accounts. Self-directed IRAs are a type of retirement account that is managed by the account holder and allows the account holder to invest in a broader array of assets than are permitted in regular IRAs.

The U.S. Securities and Exchange Commission’s Office of Investor Education and Advocacy, NASAA, and FINRA **jointly warned** that fraudsters may be more likely to exploit self-directed IRAs because custodians or trustees of these accounts may offer only limited protections and typically do not investigate the assets or the background of the promoter.

Fraudsters might use a fake self-directed custodian to attempt to steal investors’ money, or they might misrepresent the duties of self-directed IRA custodians to deceive investors into believing their investments are legitimate or protected against losses. Because a self-directed IRA account carries a financial penalty for withdrawing money before the account holder reaches a certain age, investors may manage these accounts more passively, allowing fraudsters to perpetrate the fraud longer.

“These frauds can be particularly damaging to individuals near retirement and retirees who could lose much of their retirement savings and find themselves unable to return to work to support themselves,” said OCEO Director Melanie Devoe. “We hope this effort helps raise awareness about these frauds, the lies the fraudulent metals dealers tell, and the real risks and costs involved in relying on physical precious metals as a long-term retirement plan.”

The CFTC and state authorities have worked together to shut down a number of these frauds in recent years. Cooperation between 30 state authorities and the CFTC resulted in the September 2020 joint civil enforcement action in the U.S. District Court for the Northern District of Texas against two precious metals dealers and their companies for perpetrating a \$185 million fraudulent scheme targeting elderly persons nationwide. The complaint charged the defendants with executing an ongoing nationwide fraud that solicited and received more than \$185 million in investor funds to purchase fraudulently overpriced gold and silver bullion. [See CFTC Press Release No. [8254-20](#)]

Over the past decade, the CFTC has brought numerous cases against fraudulent precious metals dealers alleging they collectively sold over \$500 million of overpriced metals to victims.

**About the CFTC’s Office of Customer Education and Outreach**

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 [CFTC.gov/LearnAndProtect](https://www.cftc.gov/LearnAndProtect).

**About NASAA:**

Organized in 1919, the North American Securities Administrators Association (NASAA) is the oldest international organization devoted to investor protection. NASAA is a voluntary association whose membership consists of the securities regulators in the 50 states, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, the 13 provincial and territorial securities regulators in Canada, and the securities regulator in México. For more information, visit <https://www.nasaa.org>.

**About FINRA:**

FINRA is a not-for-profit organization dedicated to investor protection and market integrity. It regulates one critical part of the securities industry—brokerage firms doing business with the public in the U.S. FINRA, overseen by the SEC, writes rules, examines for and enforces compliance with FINRA rules and federal securities laws, registers broker-dealer personnel and offers them education and training, and informs the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers a dispute resolution forum for investors and brokerage firms and their registered employees. For more information, visit <https://www.finra.org>.

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[10 Things to Ask Bulletin](#)

[Lies Versus Facts Flier](#)

**Resources**

- CFTC Regulations
- Commodity Exchange Act
- Privacy Policy
- Web Policy
- FOIA
- EEO Statement
- No Fear Act
- Accessibility Statement
- Procurement
- USA.gov
- Glossary

**Actions**

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**Sitemap**



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