

Arizona Securities Fraud Remains Top Priority for FBI

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With high-profile fraudsters like Bernie Madoff swindling investors out of millions of dollars, the Federal Bureau of Investigation (FBI) has made securities fraud a top priority. The turbulent financial market has also made securities fraud more prevalent. In fact, securities and commodities fraud investigations have increased by 52 percent, and the FBI currently has over 1,800 pending investigations, according to the FBI's [Financial Crimes Report to the Public](#).

The FBI has investigated and prosecuted numerous [Arizona securities fraud schemes](#). Some of the most prevalent types of schemes used around the country include:

Investment Fraud: These schemes involve the illegal sale or purported sale of financial instruments, including registered and unregistered securities, commodities, and promissory notes. Typical investment fraud schemes are characterized by offers of low- or no-risk investments, guaranteed returns, overly consistent returns, complex strategies, or unregistered securities. Ponzi schemes are a classic example of investment fraud. These schemes involve the payment of purported returns to existing investors from funds contributed by new investors.

Market Manipulation: Commonly referred to as “pump-and-dumps,” an investor can manipulate the market by creating artificial buying pressure for a targeted security, generally a low-trading-volume issuer in the over-the-counter securities market that is largely controlled by the fraud perpetrators. This artificially increased trading volume has the effect of exaggerating the price of the targeted security (i.e., the “pump”), which is rapidly sold off into the inflated market by the perpetrators (i.e., the “dump”).

Broker Embezzlement: These schemes involve illicit and unauthorized actions by brokers to steal directly from their clients. Examples of broker fraud include forging client documents, doctoring account statements, trading or transferring funds without the client's authorization, or other conduct in breach of the broker's fiduciary responsibilities to the client.

Late-Day Trading: These schemes involve the illicit purchase and sale of securities after regular market hours. Such trading is restricted in order to prevent individuals from profiting on market-moving information that is released after the close of regular trading. Unscrupulous traders attempt to illegally exploit such opportunities by buying or selling securities at the market close price, secure in the knowledge that the market-moving information will generate illicit profits at the opening of trading on the following day.

The FBI has been very successful at investigation and prosecuting securities fraud after stepping up enforcement over the past several years. As of the end of FY 2011, the FBI was investigating 1,846 cases of securities and commodities fraud and had recorded 520 indictments/informations and 394 convictions.

How We Can Help

If you are being investigated for any type of Arizona securities fraud, it is imperative to consult an experienced white-collar criminal defense lawyer. At the Law Offices of Ashley D. Adams PLC, we can provide effective, reliable legal counsel and aggressive defense tactics to combat such serious criminal charges.



About Ashley D. Adams, PLC

At Ashley D. Adams, PLC, we have a well-established track record of success that can make a difference, whether in defending charges of white-collar crime, health care fraud, financial fraud, general fraud charges, other criminal or civil matters, or representing our clients during a government investigation.

*We practice excellence, one client at a time. That means each of our clients is given personal attention and aggressive representation. Contact us today at **info@azwhitecollarcrime.com** or **1-480-646-4956** to schedule a free 30-minute consultation with one of our attorneys.*