**If you could come up with more than these or add any additional information to these scheme**

**Common Investment Fraud, Scams, and Schemes**

Ponzi Scheme – Investors are promised high rates of return. Old investors are paid back with new investor money, creating excitement and testimonials to lure larger investments. Ponzi schemes eventually collapse, leaving most investors with their principal lost.

Pyramid Schemes – Similar to a Ponzi scheme but current investors (or “sales representatives”) recruit new “members”. People at the top benefit much more than those at the bottom. Eventually there is not enough money to go around and the scheme unravels.

Advance Fee Fraud – An upfront fee is required to have access to a “great” investment.

Pump and Dump – A small group of investors buy a stock; usually with a small or illiquid share float that is easy to manipulate. The stock is hyped to thousands of investors causing the price to spike at which time the group sells their stock and leaves the new investors with a stock whose price collapses.

Affinity Fraud – Members of identifiable groups are specifically targeted. The perpetrators of the fraud usually identify or pretend to be a member of the group in order to gain the trust of the victims. Churches and religious groups, ethnic communities, senior citizens, and language minorities are common targets for affinity fraud.

These are some company investments mentioned in the book.

Unregistered sale of securities  
Off-balance sheet Inventory Financing  
Shell corporations  
Revenue forecasts  
Derivative Instruments, Hedging, Investment Securities