

Rachael DeLeon ([00:02](#)):

Welcome to Real Money Real Experts, a podcast where leading financial counseling and coaching experts share their stories, their challenges, and their advice for helping people manage money in the real world. I'm your host, Rachel De Leon, executive Director of the Association for Financial Counseling and Planning Education for A-F-C-P-E.

Mary Bell Carlson ([00:24](#)):

And I'm your co-host, Dr. Mary Bell Carlson, an accredited financial counselor, or a FC and the President of Financial Behavior Keynote Group. Every episode we're taking a deep dive in the topics that personal finance professionals care about, helping clients, building community, and your professional growth.

Rachael DeLeon ([00:44](#)):

The opinions of our podcast guests are their own, which means that their stories, views, or lived experiences may differ from yours or mine. However, the one thing you will always find on this show is a common thread. Our guests are passionate about helping people with their money to improve their lives, and they believe in upholding high standards for the clients and the communities that they serve. We encourage you to tune in to real money, real experts with open curiosity. Why? Because it's oftentimes in the conversations where viewpoints or stories differ from our own that we learn the most.

Mary Bell Carlson ([01:21](#)):

Today we're excited to welcome two keynote speakers for the 2024 A-F-C-P-E Symposium, Lori Shock, and Robert Massio. Lori was named the director of the Securities and Exchange Commissions Office of Investor Education and Advocacy in October of 2009. Prior to this role, she was the director of FINRA Investor Education Foundation and Office of Investor Education. Lori has a law degree and master's of Taxation from the University of Akron and a bachelor's degree from Furman University. Robert has been with FINRA for over 18 years as the Director of Investor education outreach. In this capacity, he cultivates and manages FINRA Investor Education Foundation programs and partnerships related to investor protection and prevention of financial fraud and exploitation. Robert has an MBA from Florida State University and an undergraduate degree from Salisbury University and is a certified anti-money laundering specialist. This November, Robert and Lori will join us in Columbus, Ohio to share the latest information on investment fraud and scans, and how you can use investor education to help your clients make more informed decisions and better protect themselves from fraud. Welcome, Lori and Robert. Thank

Lori Schock ([02:36](#)):

You. Yeah, thanks for

Rachael DeLeon ([02:37](#)):

Having us. Lori, let's kick off the conversation with you. Could you give our listeners today a little overview of the SEC and how you partner with organizations like FINRA around investor education?

Lori Schock ([02:50](#)):

Well, as a federal employee, I have to give you my disclaimer that while I'm here in my official capacity, the views I express are mine and mine alone, and not necessarily those of the staff of the commission or the commissioners themselves. You know, the Securities and Exchange Commission is the federal regulator in the space of securities. So stocks, bonds, mutual funds, the exchanges on which they trade, the people who sell the products are all registered or licensed with the Securities and Exchange Commission. We've been around since 1934. We were born out of the stock market crash in the Great

Depression, and we are a securities, a disclosure based regulator. So, um, but we don't work alone. We work with state securities regulators and with self-regulatory organizations such as finra. And we all have a common theme, and that's investor protection. And so we work closely together and we certainly work closely with FINRA through their investor education programs and with the FINRA Foundation for investor education to help spread, you know, sort of this anti-fraud messaging, how people can protect themselves. And we know that an educated investor is our best defense against investment fraud.

Rachael DeLeon (04:03):

Rob, tell us a little bit about your work at FINRA and how you work directly with Lori. As

Robert Mascio (04:08):

Lori alluded to finra, we are a self-regulatory organization. So we are a not-for-profit regulator. We were actually authorized by Congress and are overseen by the Securities and Exchange Commission, but are not a government agency. And similar, like Lori mentioned, our mission is investor protection and market integrity. And through FINRA as an organization, we go through that in a variety of different ways. We conduct examinations of brokerage firms, we review customer complaints, and of course we educate consumers, which brings us to our work with the FINRA Investor Education Foundation and our Office of Investor Education. So our, the goal within the foundation is really to build financial capabilities for all Americans. And, and we do that through both education and research, as well as working with a variety of different partners. Our foundation, we're kind of separated into the, the building wealth and the protecting wealth side of the business. And, and my focus within the foundation is on that protecting wealth. So really all things related to financial fraud, financial exploitation, and in order to inform consumers, we conduct a lot of research around financial fraud. What might make somebody more susceptible, what different frauds are out there. And then we use that research to try and educate consumers. And we do that through a variety of partners, the SEC and Lori's team being one of those partners as well as a variety of other nonprofit partners.

Mary Bell Carlson (05:36):

I love the ability for two governmental agencies to work together. And I remember this actually, Lori and I go back for many years of seeing government agencies work together, especially in this idea of financial education and space. But I wanna back it up for a few years. Lori, I'd love to hear from you what drew you to your work and your career

Lori Schock (05:56):

Path? Oh, you know, it, it was not a straight line, let's just put it that way. <laugh>, so never is I <laugh>. I actually, uh, was a registered investment advisor and a registered rep. So I was duly registered and worked on the other side. And to be honest with you, I was asked to sell products to people that I couldn't put my parents in. And so I thought, this is not a career for me. And I sought out a position at the Securities and Exchange Commission. You know, the SEC is known for its enforcement programs and examination program, and this would've been in the early 2000 era. And I ended up in this new, fairly new office of the Office of Investor Education and Assistance. And I was a staff attorney, so my job was to help investors who were having problems. So if they called into the commission or wrote into us, you know, we had a question or complaint, it was our job to try to help, uh, either resolve the issue or to, if it was something that the SEC didn't cover to point them in the right direction, maybe it was another governmental entity or state entity that they needed to contact.

Lori Schock (07:08):

And so I worked in that, you know, for a couple of years, moved up through the ranks and, and ultimately I've been the director now for the past 15 years. I, we did have a name change. Mm-Hmm <affirmative>.

But the mission, the mission didn't change. So it's the Office of Investor Education and Advocacy. And so we still help investors. We handle about 30,000 unique complaints and questions on an annual basis. And that means if someone contacts us a hundred times about the same issue, we count it once. So there's not a lot of fluff in those numbers. And uh, let's just say nobody contacts us because something has gone well for them. <laugh>, there's not a problem, you know? Yeah. And it's emotional because it involves their money. And so, you know, like I said, we, we try to help resolve those issues as well as running a nationwide outreach program investor, you know, education program. And investor.gov is our retail facing website that, uh, we also manage for the commission. And

Mary Bell Carlson (08:06):

I do wanna hone in just a second, 'cause you mentioned the name change. You've always been heavy into investor education. Talk to us a little bit more about the addition of advocacy and what that means.

Lori Schock (08:15):

You know, I think that was just trying to expand what we had input into. Our office looks at commission rulemakings that impact retail investors, so we have input into that. And then anything that deals with retail investors concerns, whether it's coming in through, you know, the complaint handling system where we raise that because we also put out investor alerts and bulletins. The alerts are generally frauds that we're seeing, whereas the bulletins might be an explanation of a 300 page rulemaking that we've distilled down into three pages.

Mary Bell Carlson (08:51):

Rob, I wanna follow up with a similar question for you. I'm sure you had a very straight path for your career, but tell us a little more about it. What was it like for you?

Robert Mascio (08:59):

That's right. I think the more and more I do this work, the more and more I realized that my windy career path seems somewhat normal in this space. So

Mary Bell Carlson (09:07):

Yeah, it does. It's so true.

Robert Mascio (09:08):

It's nice to hear. I'm not alone. So, so my career kind of took that unusual path. I, I, looking back, 18 years ago, this was not the area that I saw myself focusing in, but as I went through my career, I found more and more of a, of a draw to it. So I started, I started with FINRA 18 years ago, and I actually started in our market regulation group. So I was tasked with looking over market activity related to derivatives products. So that would include anything from, from options to structured products, to collateralized debt obligations, all those fun, all those fun products. I, I did that for a few years and I was ready to kind of try something new. So I joined our examination program within FINRA, where I was focusing on going in and conducting examinations of brokerage firms. Kind of worked my way through the ranks, was an exam manager for a period of time.

Robert Mascio (10:03):

And then in 2015, FINRA started our securities helpline for seniors and our vulnerable adults team. And I ended up jumping on to lead that team. So that was 2015 to, to 2020. I was responsible for, for managing and leading our vulnerable adults and seniors team. And for those that might not know our, our securities helpline, it's, it's a toll free number that anybody really can leverage. If they have concerns or questions

related to securities, we'll speak to a, a live and knowledgeable person who can help direct them to resources to answer some questions, things along those. So they're really a great resource for, for individuals out there. But then in 20, and in 2020 I was, I was ready to kind of stop being so reactive and, and look to see how I could be more proactive. And that's what really led me to the work with the foundation.

Mary Bell Carlson ([10:57](#)):

No, I love it. And we've done a lot of work with the foundation over time, A-F-C-P-E and all that we've done there. One question for you though, on the FINRA's hotline, is that the same as the broker check hotline or are there special hotlines for certain areas?

Robert Mascio ([11:12](#)):

That is actually a different number, but you can actually, you, you can call the helpline and if you had a broker check type of question, they'd be able to, to direct you to, you know, the answers that you're looking for. But it is actually a separate line.

Mary Bell Carlson ([11:24](#)):

Got it, got it. Okay. We'll include all of those in the show notes to make sure that people have access to that as well.

Rachael DeLeon ([11:30](#)):

Lori, you been with the Security and Exchange Commission for a number of years and I'm sure what you're hearing in terms of the different types of fraud and schemes has evolved over time. Can you talk to us a little bit about how the rise in technology, social media, cryptocurrency, how that sort of changed the landscape?

Lori Schock ([11:50](#)):

Oh, I've actually been at the commission a couple of decades now at this point, <laugh>, so you might imagine the

Rachael DeLeon ([11:58](#)):

Changed social media was not as in existence my early years <laugh>,

Lori Schock ([12:03](#)):

You know, the worldwide web and chat rooms. And it's like we have certainly, you know, technology, technology has certainly changed and frauds have changed with it. So let me just talk about that a little bit because like, you're right, social media wasn't around, it was a little bit harder to get ahold of people, you know, you either had to call 'em or you had people go door to door or they were sending letters. It was costly. Now it's so inexpensive and easy to reach so many more people through social media, online platforms, and you know, we know, we know investors are getting their legitimate investor information there as well. So that's where the fraudsters hide. And you know, let's just look at the rise of artificial intelligence is another area. Great things will come with this technology, but some bad things are, we're already seeing some, you know, whether it's fake press release that, or saying that the CEO said something and he didn't.

Lori Schock ([13:06](#)):

But you can't tell from the videos because it's a deep fake type video. We know that artificial intelligence makes it easier to put up websites and take down websites. So it's just making things move faster. And it's, we're working on how can people tell whether, you know, a video or audio file is, is real or not. It's very difficult. That's why we need people to independently verify with whom they're doing business. And here's just one piece of advice. You know, don't give your money to someone you've met online. And even if it's, you know, the romance of your life and they start asking for money or trying to invest, please stop and just make sure you're not giving more than you could afford to

Rachael DeLeon ([13:50](#)):

Lose. And they're clever and creative and they play into emotions. And so I think that's where the more we can educate and share what's happening and try to keep up with what those kind of similarities are across the schemes. Rob, at this year's symposium, you and Lori, you specifically too will be sharing some research on some of the current frauds and investment scams. I'm curious if you could share a story of one that's particularly prevalent right now. The

Robert Mascio ([14:16](#)):

Top fraud scam that we're seeing right now, and this is based off of data that's been reported to the Federal Trade Commission, is impersonation type scams. And impersonation kind of runs the gamut. I mean, it can be something from impersonating a financial professional or more of that romance relationship type of, of impersonation. And we're seeing a large rise in, in those types of, of scams. And they look a little bit different than the way that romance scams might have looked in the past. Whereas previously romance scams, you would, you would meet somebody online, you would build up this relationship, a romantic relationship of some capacity, and then you'd ultimately get that ask for, okay, I'd love to meet up. Can you send me some money so we can meet up? Well, instead of that same kind of process, we're seeing a shift and, and we're calling 'em relationship and investment scams.

Robert Mascio ([15:08](#)):

And again, these might not be romantic, they might be more companionship, but they might start with a misdirected text, something like, Hey Lori, I haven't seen you in a while. How you doing? And the person who's sending that text is hoping that Lori responds like a nice person and says, oh, I think you might have the wrong number. Right? And then that starts the conversation. And conversation starts innocently, they start to know each other. They start to get to get a sense of who these, who that individual is. And then instead of asking for money to come to come meet, it switches to investment related. And it often has to deal with crypto, crypto related assets. And the ask is, well, I can, I can show you how to make a lot of money in the, in the crypto market. All you have to do is open an account on this platform.

Robert Mascio ([15:53](#)):

They give you the, the link to this platform. You look at the platform and you say, wow, this, this looks like a legitimate platform. Again, this is an impersonation. They're impersonating a platform. You'll invest your money and you might even be able to get a little bit of that funds out. But ultimately when you try to remove your, your, your investment gains, they say, sorry, you have to pay taxes or you need to invest more. There's some kind of hook to, to try to get, to not be able to pull that money out. And, and largely it has to do with the fact that those platforms are fictitious. They're solely designed to steal your money.

Mary Bell Carlson ([16:26](#)):

So Rob, let me ask you, how do you know a fake platform from a real one or a real text from a fake one?

Robert Mascio ([16:32](#)):

That's a very, very good question and a very difficult one to, difficult one to ask. So I'll take the easy answer and say, whenever you're dealing with anything that's, that's securities related, you wanna make sure that you're dealing with a registered individual. So how can you check that registration? You can go on to FINRA's broker check, which is broker check, do finra.org, and you can look to see if an individual is registered, if they're say registered with securities and exchange commission. Broker check will take you to the SEC site that gives you that same information to determine whether somebody is, is registered or not. So that's one of the easiest ways to make sure that you're dealing with registered individuals. But with the rise of technology, it's getting harder and harder to detect that something is fake. And me personally, I take a cynical view. I think everything is fake. So I'll get a, I'll get a text from, you know, an Amazon driver who's trying to, to find me to locate, to deliver my package, right? And it might be a legitimate text. I consider everything to be illegitimate. So I take a very cynical view.

Mary Bell Carlson ([17:36](#)):

It is, and it, in the age of ai, I think it's only getting harder to be able to tell the real from the fake. You know, one of the things that I'm seeing as well is it's almost expected that your information is going to be hacked. I mean, you're getting letters constantly throughout the year that some healthcare organization or organization you belong to was hacked. And your information is out there. And we're starting to wonder what can you actually do to keep your information private? Lori, would you take this one and maybe give us some recommendations on what to do when their information's gonna be stolen?

Lori Schock ([18:11](#)):

You know, I think some of the best ways you can help protect yourself, one, we're all pretty much on an online environment. So first of all, use good hygiene. Being online, if you have the ability to use two factor authentication or use biometrics, do that if you can because at this point in time, I, you know, they haven't stolen our iris scans or hopefully not our thumbprints or our facial recognition, but I hate to be that cynical, but I guess as it's coming, 'cause they have all the other information, especially given this latest data breach that included, was it 80 million or more individuals? So checking your credit report, maybe put into credit freeze or lock on your credit report so that people can't open up lines of credit and get you into debt that you didn't know, that you don't own, didn't own, you didn't open it, but someone else did that on your behalf. And just constantly, you know, watching and monitoring your accounts, your credit report. I, I'll be honest with you, I now check, uh, once a year when it's time to pay property taxes to make sure someone hasn't put a lien against my residents. So it's just being ever vigilant. And I, I just think that's the error that we're in and what we need to do to protect ourselves.

Mary Bell Carlson ([19:34](#)):

And you really made some good points. 'cause it's not just your investment portfolio, it's every, you know, the house example is another great one. Rob, I'm curious. It's one thing for me to be able to use my biometrics and use my phone and, and two-factor authentication. It's another thing for my parents, right? And many of us work with older clients or maybe older investors. What steps would you recommend to help protect older investors or individuals to protect from fraud?

Robert Mascio ([20:02](#)):

I think the steps are the same. It just, it might take a little bit more conversation around what to do to, to protect yourself. Also having conversations about it's okay to not answer the phone. You know, if, if a phone call comes in and it's somebody that they don't recognize people, again, they're good natured, they want to answer the phone and see who it is, but you don't have to answer every phone call, right? They can leave a message and if it's somebody that's trying to get ahold of you, they can leave that message and you can decide whether it's, whether it's time to call that person back or not. The other thing I'd say is to make conversations around fraud and scams kind of a family affair. Have those conversations around the

dinner table or when you're talking to, to your loved ones or your family friends, whoever it may be, sharing what scams and frauds are out there because we know that the more we talk about it, the more knowledge we have around what scams are out there, how they operate, the better protected we can be, not only to identify, but to ensure that we're not moving forward in a potential scam.

Rachael DeLeon ([21:04](#)):

Yeah. And I think it removes the shame as well. I had a close family member who felt susceptible to a call where they actually went to the supermarket and bought the, you know, and you, and as you're telling this story and internally I'm thinking, how, where along the way did this not click in that it was happening, but it happens to so many people. And so I think it's just breaking that shame. We're all, we all could be victim to those things. And so how do we identify what the red flags are and then normalize it in a way that it's okay because by you sharing that story, you're helping protect someone else.

Robert Mascio ([21:45](#)):

Absolutely. And we know that that guilt and shame goes along with victimization. We're, we're doing work with a few different partners where we're, we're focusing on that, that shame and guilt that victims are experiencing. And you know, it's not, it's, it's somebody that's at a point of vulnerability. It has nothing to do with intelligence. And we know that scammers are getting more and more sophisticated, so it is harder and harder to tell. You know, it used to be you'd get an email and you'd say, well, there's grammar errors in that email. It has to be a scam. Well, that's not the case anymore. These, these, these scammers are getting much more sophisticated. So trying to find ways to remove that shame and guilt and, and approaching situations with empathy is really important.

Rachael DeLeon ([22:25](#)):

Rob and Lori, at the end of every interview, we ask our guests to share their 2 cents. If you had one piece of advice to leave with our listeners today, what would it be? Well,

Lori Schock ([22:36](#)):

I'll start off with that. How about that? First of all, let, let's just go with that educated investor here. And, you know, we've talked about so many of the different frauds and, and ways to protect yourself and, and the scam artists are getting better and better and the technology's making it easier for folks. I, I hate to say it, but I think we have to take everything with that, that initial cut, if you will, that if someone's reaching out to you, you didn't contact them first, but they're, you know, it's this unsolicited contact, whether it comes from email, text over the phone, knocking at your door, whatever it is, you just have to, you know, have your spidey senses up on that. And just wonder, is this, you know, I, I'm gonna start with this is a fraud. Prove to me otherwise that it's not okay.

Lori Schock ([23:27](#)):

I just think people need to start with that, that edge, if you will, because there it is so prolific, they have gotten so much better at masking who they are and, and what they're standing for doing that. And when it comes to investing, anyone who's legitimate is going to be in the database broker check or in the investment advisor. Public disclosure websites, you can get 'em through finra, you can come to investor.gov. It's as easy as putting the person's name in and doing that background check. Now here's a little twist to that. There are people who are now stealing the identity of legitimate, uh, registered reps and investment advisors. So now you've got to add this additional layer of contacting the firm directly at, not the number that they gave you, but looking up that phone number. Again, you can put the firm's name in, in investor.gov and pull up the con the main contact number to make sure when you call that you're talking to John Smith, the registered investment advisor. And then John Smith calls you back because we, we've seen this now where just doing that background check may not be enough because the

legitimate salesperson's identity might have been stolen as well. So do your background, do your background due diligence all the way around.

Robert Mascio ([24:51](#)):

Good advice. How about you, Rob? So I'll just kind of pick up right where Lori left off. That knowledge piece is so important. I know I talked about it before, making sure that you're making it part of your, your daily conversations. But I would also say slow down, slow down your decision making process. We know that that fraudsters and scammers that are out there, they are using manipulation tactics to try and get to people's vulnerabilities. So the more that we can slow down and add that piece of time, be between the pitch and your response, the better you'll be able to assess the situation with the clearer head and do that research that Lori was talking about. So coming up with things like a, like a refusal script, an easy way to, to buy time between that pitch and the response and a refusal script might look something like, I don't make any financial decisions before I talk to my accountant or before I talk to my spouse or my, my financial counselor, whoever it may be. But it gives you that out where you don't have to respond right away. And it can be made up, it can be fictitious. You don't have to have an accountant in order to say, I have to check with my accountant. Mm-hmm <affirmative>. But looking for ways to slow down that decision making process.

Mary Bell Carlson ([26:00](#)):

We're looking forward to having you both at this year's A-F-C-P-E symposium and learning more to help get our guard and defenses up against fraud. But it's been pretty heavy. So Lori, I'm gonna have to end with a light note here. Would you share with us a light note story to wrap us up?

Lori Schock ([26:15](#)):

Sure. So early in my career, I was down in Atlanta and I was speaking at a national investor conference, and I was just a few minutes, not even a few minutes into my remarks, and a woman in the front row asked what the Southeastern Conference was doing here, <laugh>. And so yeah, that's that other SEC of the college sports fans,

Mary Bell Carlson ([26:37](#)):

The football fans of the crowd, huh?

Lori Schock ([26:39](#)):

Yeah, I I can't get you tickets, I can't do

Mary Bell Carlson ([26:42](#)):

That. Yeah, inside DC it needs a very different thing than, uh, it does down in the south, doesn't it. Lori and Rob, thanks so much for joining us today. Please tell our listeners where they can connect with you. Great.

Lori Schock ([26:53](#)):

I'll go first. So for the SEC, if you have a question or complaint, you can send it directly to us@helpatsec.gov, or you can speak to one of the investor assistant specialists or attorney. It's at 1-800-732-ZERO 3 3 0. Again, that's 1-800-732-ZERO 3 3 0. And don't forget, investor.gov has all the resources I talked about today and you can file a tip or complaint there as well.

Robert Mascio ([27:23](#)):

Perfect. And I'll share our FINRA website. So finra.org/investors is where you're gonna find all of our investor related content. You'll find our fraud content there. You'll find different articles that we put out on variety of topics, so finra.org/investors, and I mentioned that Securities helpline for seniors earlier on.

Mary Bell Carlson ([27:46](#)):

Well, thank you both, this has been great. We'll

Lori Schock ([27:49](#)):

See you in Columbus.

Rachael DeLeon ([27:50](#)):

Mary, this is always a heavy conversation, but a really important one and a big reason we wanted to have Lori and Rob join us at the symposium this year. I think as human beings, most of us, if not all of us, we know someone who has been a victim of fraud or we ourselves have been a victim of fraud. And it's probably not a question of if, it's probably a question of when. And so, you know, fraud is running rampant these days with the rise of technology. And the more we know and the more we can educate our clients, the better chances we have of avoiding these schemes. For me, it's very personal and I think it's very personal for a lot of people. And so I'm really excited to have them there. Both the SEC and FINRA Foundation are doing really great work and have really great resources, and they have good stories. And I, you know, I hate to say that, you know, we want to share these stories, but I think that is how we share information and that's how it resonates are through these stories and hearing about what's happening. And then, like we said, the more you talk about this with others, we break down the shame and we help others navigate before it happens to them.

Mary Bell Carlson ([28:56](#)):

Absolutely. And I'm really glad that they talked about how scams used to be because they used to be so ridiculous that you could totally snip them out. Right, right. And yet it's become this morphed world of so hard to tell. I mean, it was interesting to hear, I believe it was Lori saying, you gotta do your double diligence because even on FINRA and broker check, you still don't have a hundred percent bulletproof situation. And so I just think that like it has becoming such a rapid ever changing environment that this is something you can't have taken a course on 10 years ago and still be relevant today. So this is a conversation we constantly have to be updated even year to year because so much happens in a single year. And then I think the other interesting part is, yes, you may have your skillset or check your credit report or like Lori was saying, check your liens on your house multiple times.

Mary Bell Carlson ([29:51](#)):

But we've also gotta take into account for some of us in that middle life situation, I think of my parents and what they're susceptible to, but also my children because you're not safe. If you have a name and a social security number. You may not even need the name. If you have a social security number, you're at risk. So whether you're three, you're 30, you're 63 or 93, this is a common issue that is so rapidly changing that we've got to be able to understand it more and get our arms around it to be able to stay constantly. I think this is Lori's words constantly vigilant because you just never know when the next one is. So I'm really looking forward to this and so many other things at this year's symposium. Make sure and register now at afpe.org/symposium. We hope to see you there.