

COMMISSION ADVISORY

Investors Should Beware of Phony Futures and Options Websites

Investors Worldwide Should be Wary of Fraudulent Websites Claiming U.S. Federal Oversight

The U.S. Commodity Futures Trading Commission, the federal agency that regulates the futures and options markets in the United States, warns consumers to exercise caution when dealing with internet websites claiming to be the U.S. federal regulator of futures and options trading, or to be a federally regulated entity.

The scams all appear to operate in a similar fashion. A fraudulent website claiming to be a registered commodity broker solicits potential customers to invest in futures or options. The website also directs the potential customer to another fraudulent website claiming to be the federal agency responsible for the oversight of the U.S. commodity markets. Once the customer agrees to invest, the broker directs the customer to open an account with a fictitious exchange, which falsely claims to be regulated by the United States government. The fictitious exchange then directs the customer to wire funds to a bank account for trading. Customers are led to believe that they have opened online trading accounts with the exchange when, in fact, their funds have been misappropriated.

The websites are slick and professional looking, and the scams are particularly convincing because they appear to offer investors the assurances of industry and U.S. federal government oversight. The websites even go so far as to allow potential investors to search regulator databases for registration status and to file complaints.

The CFTC warns investors to do independent research before sending funds to a commodity firm. The following websites are the official websites for the CFTC, the National Futures Association (the self-regulatory organization for the U.S. commodity industry) and the International Organization of Securities Commissions.

- **Commodity Futures Trading Commission** - Our website is <http://www.cftc.gov/cftc/cftchome.htm> You'll find legitimate contact information for the CFTC in the Contact Us section at <http://www.cftc.gov/cftc/cftcontacts.htm?from=home&page=contactstab>
- **NFA** – The federal commodities laws require that virtually every commodity firm doing business with the U.S. public must be a member of the National Futures Association (“NFA”). You'll find information on how the NFA registers and governs its member firms on the NFA's website at <http://www.nfa.futures.org/> and you can check the registration status of NFA member firms at <http://www.nfa.futures.org/basicnet/>.
- **International Regulators** - You'll find a list of international regulators on the website of the International Organization of Securities Commissions (IOSCO) at <http://www.iosco.org>.

For more tips on investing wisely and avoiding fraud, please visit the [Consumer Protection](#) section of our website.