



A WALK DOWN FRAUD STREET

THE COMMON CHARACTERISTICS OF AFFINITY FRAUD

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**QUESTION: WHENCE COMETH THE
POWER TO MOTIVATE OTHERS TO
ACTION?**



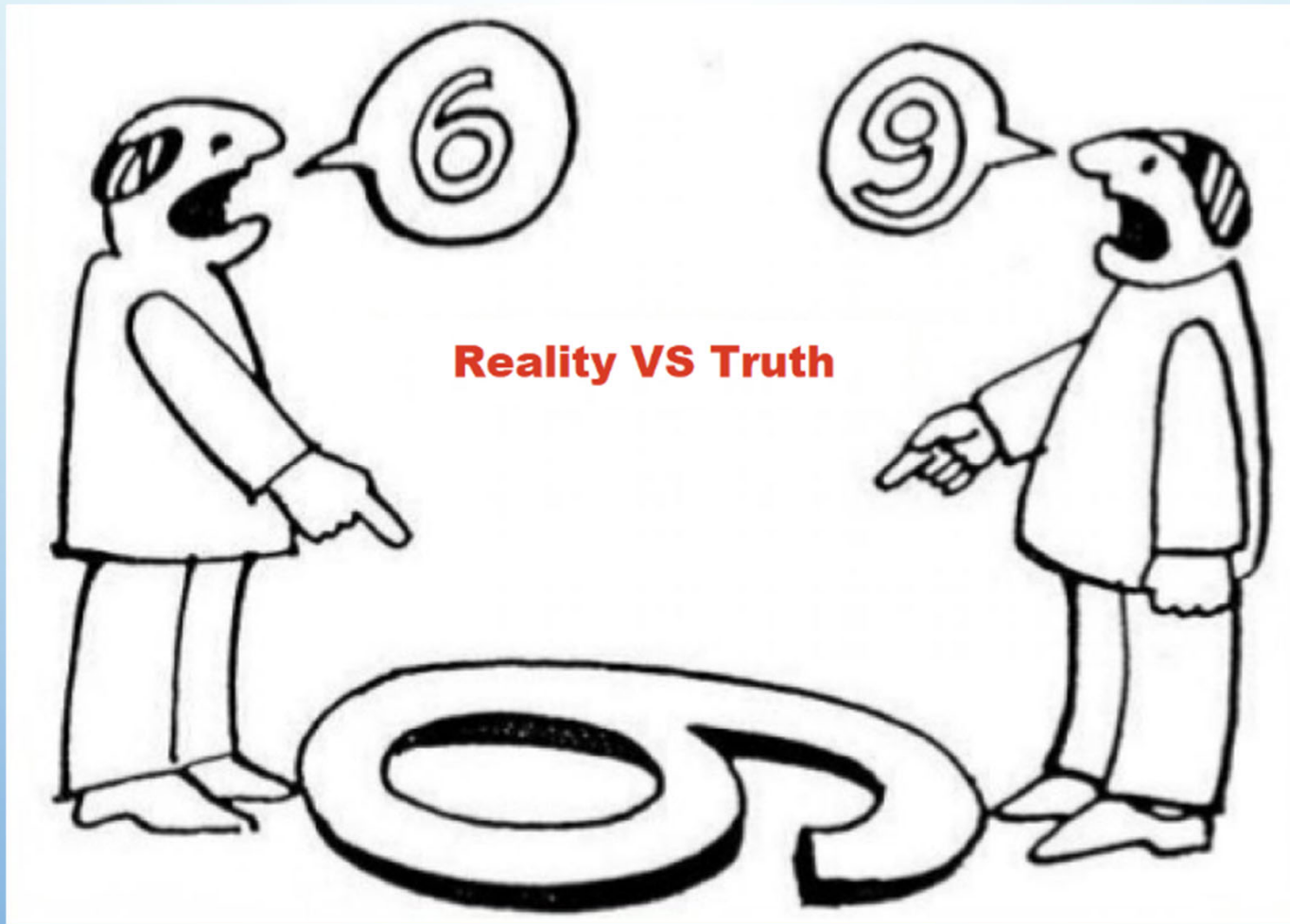
ANSWER: BELIEF



**QUESTION: HOW DO FRAUDSTERS
DEFRAUD THEIR VICTIMS?**



ANSWER: BY CONVINCING THEM TO
BELIEVE IN THINGS THAT ARE NOT REAL



QUESTION: HOW DOES A FRAUDSTER GET
A VICTIM TO BELIEVE IN SOMETHING THAT
IS NOT REAL?



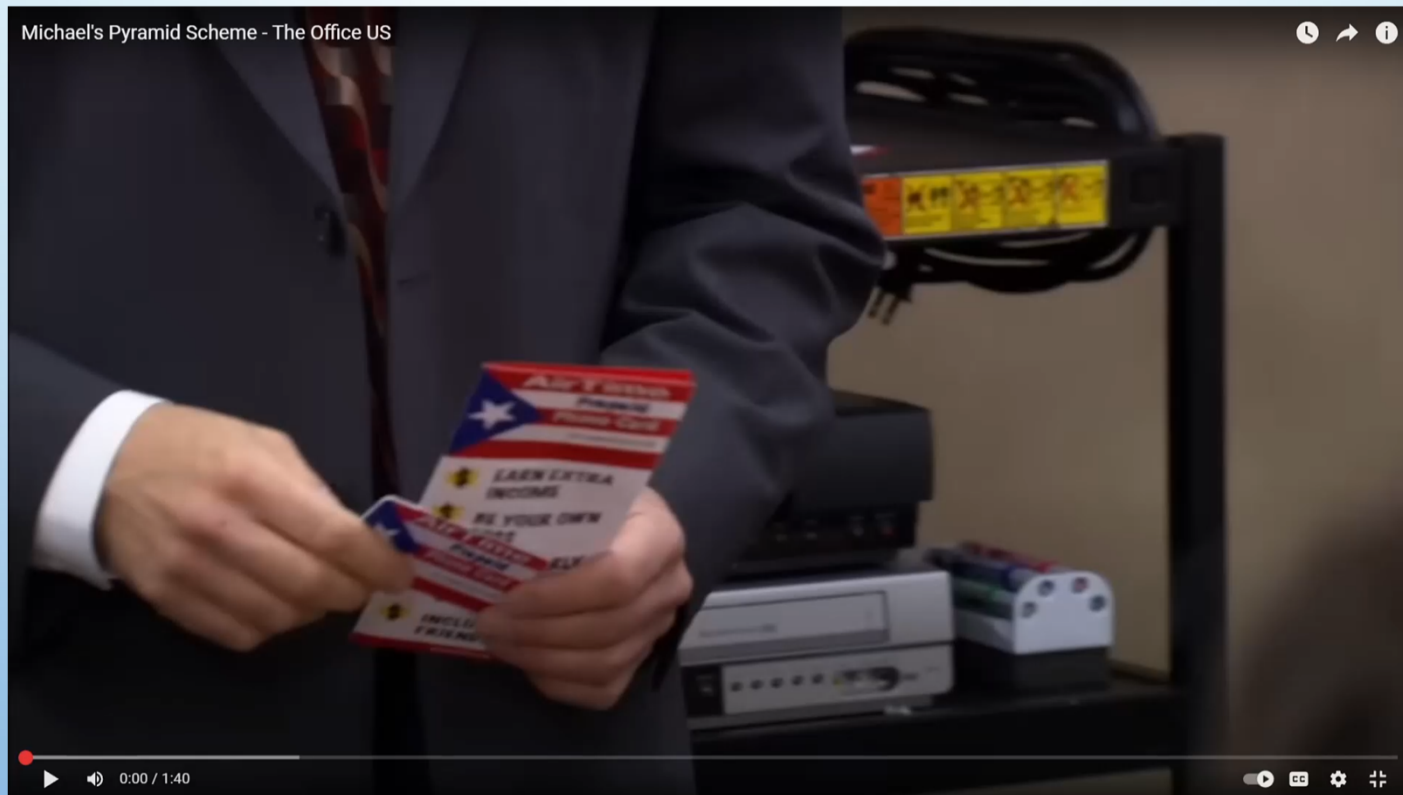
AFFINITY FRAUD DEFINED

- TARGETS AN IDENTIFIABLE GROUP (E.G., RELIGION, ETHNICITY, ELDERLY, ETC.)
- BELONGS, OR PRETENDS, TO BELONG TO THE GROUP
- ALMOST ALWAYS INVOLVES A FAKE INVESTMENT (LIKE A PONZI SCHEME OR A PYRAMID SCHEME)^{1,2}

1. <https://www.sec.gov/about/divisions-offices/division-enforcement/affinity-fraud>

2. <https://www.sec.gov/about/reports-publications/investorpubsaffinity>

AFFINITY FRAUD DEFINED



WHY AFFINITY FRAUD WORKS

- EXPLOITS TRUST WITHIN TIGHT-KNIT GROUPS
- OFTEN ENDORSED BY UNSUSPECTING GROUP LEADERS
- PROMISES OF HIGH OR FIXED-RATE RETURNS
- PROMISES SPECIAL ACCESS ONLY AVAILABLE THROUGH THE FRAUDSTER OR FOR MEMBERS OF THE GROUP
- VICTIMS MAY FEEL SHAME OR LOYALTY AND AVOID REPORTING
- CAN GROW QUICKLY VIA WORD-OF-MOUTH³

3. https://www.investor.gov/sites/default/files/ia_affinityfraud.pdf

RED FLAGS OF AFFINITY FRAUD

- UNUSUALLY CONSISTENT HIGH RETURNS WITH NO LOSSES
- NO VERIFIABLE INVESTMENT DOCUMENTATION OR NORMAL PROCESSES
- AFFINITY-BASED APPEALS: "FOR OUR GROUP ONLY"
- VICTIMS DISCOURAGED FROM ASKING QUESTIONS
- PAYMENTS RELIANT ON RECRUITING NEW INVESTORS
- NOT LICENSED TO SELL SECURITIES

Types of Affinity Fraud – Religious

O Brother, Where Art Thou? (7/10) Movie CLIP - Big Dan Teague (2000) HD



MOVIECLIPS.COM

0:14 / 2:55



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TYPES OF AFFINITY FRAUD – RELIGIOUS

- TARGETS INDIVIDUALS OF THE SAME FAITH OR CHURCH
- PROMOTIONS MAY OCCUR DURING SERVICES OR OTHER RELIGIOUS GROUP SETTINGS
- EXAMPLES:
 - HORIZON MORTGAGE AND INVESTMENT INC., ET AL. (REAL ESTATE AND CAR LOANS; "LEGAL PONZI SCHEME")
 - DEE ALLEN RANDALL (SENTENCED FEBRUARY 2017)
 - COLLECTED \$70M; 700+ INVESTORS; 30 YEARS PRISON⁴
 - RUST RARE COIN, INC. (TRADING SILVER; PONZI)
 - GAYLEN DEAN RUST (SENTENCED MARCH 2022):
 - COLLECTED \$225M; 500+ INVESTORS; 19 YEARS PRISON⁵

4. <https://archive.sltrib.com/article.php?id=4909073&itype=CMSID>

5. <https://www.justice.gov/usao-ut/pr/owner-rust-rare-coin-sentenced-19-years-prison-running-fraudulent-silver-trading-program>

TYPES OF AFFINITY FRAUD – RELIGIOUS



TYPES OF AFFINITY FRAUD – RELIGIOUS

- ROBERT GLEN MOURTISEN (KAYSVILLE)
 - (SENTENCED SEPTEMBER 2020)
 - COLLECTED \$2.4M FROM CHURCH MEMBERS; A YEAR AND A DAY IN PRISON SENTENCE (AGE 73)⁶

⁶ <https://www.standard.net/police-fire/2020/sep/11/investment-scheme-nets-kaysville-man-prison-term-but-some-victims-still-believe-in-him/>

TYPES OF AFFINITY FRAUD – ETHNIC/CULTURAL

- USES SHARED LANGUAGE AND ETHNIC BACKGROUND TO BUILD TRUST
- EXAMPLE:
 - G8 EQUITY LLC AND G8 RE CAPITAL LLC (FLIPPING HOMES; PONZI)
 - CEDRIC DEWAYNE GRIFFIN, (SEC AMENDED COMPLAINT JUNE 2025)
 - COLLECTED \$5.9M; 103 INVESTORS, OUTCOME PENDING^{7,8}

7. <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-25707>

8. SEC v Cedric Dewayne Griffin, Middle District of Florida, Case No. 3:23-cv-00539-BJD-PDB, *Amended Complaint for Injunctive and Other Relief*

TYPES OF AFFINITY FRAUD – ETHNIC/CULTURAL

- EXAMPLE:
 - ANTHONY GIGNAC (PONZI)
 - KHALID BIN AL SAUD, (INDICTMENT DEC 2017)
 - COLLECTED \$9M
 - INVESTMENT SCHEME FOR SAUDI ARAMCO

TYPES OF AFFINITY FRAUD – ETHNIC/CULTURAL

American Greed: Sneak Peek - Wanna-Be Sultan's Offer To Investors Is Hard To Refuse | CNBC Prime



▶ 🔊 0:00 / 0:56



TYPES OF AFFINITY FRAUD – PROFESSIONAL

- BASED ON SHARED CAREERS OR SERVICE (E.G., MILITARY, UNIONS)
- EXAMPLES:
 - MARKETACTION INC., ET AL. (INVESTMENT FIRM; FAKE STATEMENTS, \$800K MISALLOCATED)
 - CLAYTON ANDREW COHN
 - \$1.8M; 37 INVESTORS, 52 MONTHS IN PRISON
(SENTENCED JANUARY 2017)^{9,10,11}

9. <https://www.sec.gov/newsroom/press-releases/2013-149>

10. US v Clayton Andrew Cohn, Northern District of Illinois Eastern Division, Case No. 1:16-CR-00325, *Plea Agreement*

11. US v Clayton Andrew Cohn, Northern District of Illinois Eastern Division, Case No. 1:16-CR-00325, *Judgment*

TYPES OF AFFINITY FRAUD – PROFESSIONAL

Fun With Dick and Jane (2005) - Spinning Fraud Scene (1/10) | Movieclips



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TYPES OF AFFINITY FRAUD – FRIENDS AND FAMILY

- PONZI SCHEMES OFTEN BEGIN WITH CLOSE FRIENDS AND FAMILY MEMBERS
- EXAMPLE
 - PARK HILL GROUP, ET AL. (MULTI-NATIONAL PRIVATE EQUITY; PONZI)
 - ANDREW CASPERSEN
 - COLLECTED \$38.5M, 12+ INVESTORS (FRIENDS AND FAMILY), 48 MONTHS (SENTENCED NOVEMBER 2016)^{12, 13}

12. US v Andrew Caspersen, Southern District of New York, Case No. 16cr0414-01(JSR), *Information*

13. US v Andrew Caspersen, Southern District of New York, Case No. 16cr0414-01(JSR), *Judgment*

TYPES OF AFFINITY FRAUD – SENIORS



TYPES OF AFFINITY FRAUD – SENIORS

- PROMISES 'SAFE' OR GUARANTEED RETURNS
- TARGETS RETIREES AND ELDERLY WITH LIMITED OVERSIGHT
- OFTEN EMOTIONAL AND FINANCIAL TOLL IS HIGH
- EXAMPLES
 - 2023 IC3 ELDER FRAUD REPORT
 - 101K COMPLAINTS OF VICTIMS OVER AGE 60, \$3.4B IN LOSSES
 - INVESTMENT FRAUD: 6.4K COMPLAINTS, \$1.2B IN LOSSES
 - CRYPTOCURRENCY SCAMS: 15K COMPLAINTS: \$1.1B IN LOSSES
 - CALL CENTER FRAUD: 21K COMPLAINTS, \$769M IN LOSSES
 - ROMANCE SCAMS: 6.7K COMPLAINTS, \$357M IN LOSSES¹⁴

TYPES OF AFFINITY FRAUD – SENIORS



TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- LEVERAGES ALUMNI, SOCIAL CLUBS, AND ONLINE FOLLOWERS.
- GROWING USE OF INFLUENCERS TO PROMOTE SCAMS.
- EXAMPLE:
 - ALPHA INFLUENCE LLC (AMAZON AUTOMATED STORES; MISREPRESENTATIONS)
 - JEREMIAH JOSEPH EVANS, AKA “THE BULL”
 - COLLECTED \$20.9M, 530 INVESTORS, 96 MONTHS IN PRISON (SENTENCED MAY 2025)¹⁵

15. <https://www.justice.gov/usao-ut/pr/investment-scammer-sentenced-96-months-imprisonment-defrauding-alpha-influence-investors>

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- WHAT CAN WE LEARN FROM JEREMIAH EVANS?



TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

Be Great or Be Nothing | Jeremiah Evans



youtube.com - To exit full screen, press **Esc**

▶ 🔊 2:07 / 5:42



TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- VERBAL SALES FROM “BE GREAT OR BE NOTHING | JEREMIAH EVANS” VIDEO
 - REASON TO BELIEVE IN EVANS:
 - "I HAVE MADE OVER \$11M IN SALES BEFORE THE AGE OF 25"
 - APPEAL TO SOCIAL GROUP:
 - "I BELIEVE...WE CAN HAVE THE FREEDOM TO LIVE THE WAY WE WANT"
 - "I WANT TO HELP YOU ACHIEVE GREATNESS IN EVERY ASPECT OF YOUR LIFE: MIND, MUSCLE, AND MOST IMPORTANTLY MONEY"
 - "BE GREAT OR BE NOTHING"
 - "I BELIEVE IT IS OUR DUTY TO BE GREAT"

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- NON-VERBAL SALES FROM “BE GREAT OR BE NOTHING | JEREMIAH EVANS” VIDEO
 - APPEAL TO PRESTIGE:
 - PRESENTER/INSTRUCTOR/TEACHER
 - NICE SPORTS CAR
 - NICE WATCH
 - NICE OFFICE
 - APPEAL TO LIFESTYLE
 - VACATIONING ON A BEACH
 - UPPER-LEVEL HOTEL ROOM OVERLOOKING A LARGE BUILDING IN A BIG CITY
 - APPEAL TO STRENGTH
 - PHYSICAL FITNESS (GYM)
 - PHYSICAL STRENGTH (FLIPPING A LARGE TRACTOR TIRE)

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- WHAT IS **NOT** SOLD IN “BE GREAT OR BE NOTHING | JEREMIAH EVANS” VIDEO?
 - WHAT JEREMIAH EVANS SELLS AND HOW TO KNOW IF IT IS A LEGITIMATE PRODUCT OR SERVICE.

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- WHAT CAN WE LEARN FROM JEREMIAH EVANS (ROUND 2)?



TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE



TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- VERBAL SALES FROM “WHO IS JEREMIAH ‘THE BULL’ EVANS?” VIDEO
 - REASON TO BELIEVE IN EVANS:
 - “I’VE GOT SOMETHING I BELIEVE IN, AND I WANT TO SHARE IT WITH YOU.”
 - REASONS BELIEVE IN EVANS (FROM THIRD-PARTY TESTIMONIALS):
 - "I MADE A LITTLE OVER \$400K IN 8 MONTHS."
 - "I WAS ABLE TO BRING IN A \$120,000 CHECK THAT WAS FROM ONE WEEK."
 - "I WENT FROM MAKING \$20 GRAND A YEAR TO \$20, \$40, \$60 GRAND A MONTH."
 - "NOW I'M AT THE POINT WHERE I DON'T HAVE TO WORRY ABOUT MONEY."

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- APPEAL TO SOCIAL GROUP (FROM THIRD-PARTY TESTIMONIALS):
 - "PASSIONATE, FRIENDSHIP, ENTREPRENEUR."
 - "NICEST GUY ON THE PLANET."
 - "HE JUST WANTS THE BEST FOR EVERYBODY."
 - "GIVEN HIM 10 TO 15 YEARS OF SEASONING, AND THE DUDE WILL PROBABLY END UP A TRILLIONAIRE."
 - "THAT IS THE AMERICAN DREAM: THE MUSCLES, THE FITNESS, THE MONEY, BUSINESSES, SERVING PEOPLE..."
 - "HE IS DOWN TO EARTH"
 - "HE BRINGS A GOOD ENERGY."
 - "FORTUNE FAVORS THE BOLD."
 - "WITH THE MENTORSHIP OF JEREMIAH, ALL THINGS ARE POSSIBLE."

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- NON-VERBAL SALES FROM “WHO IS JEREMIAH ‘THE BULL’ EVANS?” VIDEO
 - APPEAL TO PRESTIGE:
 - NICE SPORTS CARS AND VEHICLES
 - NICE WATCH
 - PLANES/JETS
 - FAME (NEWS, FRIENDS, AWARDS, ETC)
 - ENERGETIC

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- APPEAL TO LIFESTYLE:
 - COOL TATTOOS
 - NICE SHOES
 - NICE CLOTHES
 - PRETTY WOMEN
 - HANDSOME MEN
 - PHYSICALLY FIT
 - POPULAR
 - NICE RESTAURANTS
 - TACTICAL
 - EXPENSIVE RESORTS
 - SUCCESSFUL

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- APPEAL TO PERSONALITY:

- STRONG
- GENTLE
- AGGRESSIVE
- CALM
- FRIENDLY
- ENTERTAINER
- ENERGETIC

TYPES OF AFFINITY FRAUD – SOCIAL/ONLINE

- WHAT IS **NOT** SOLD IN “WHO IS JEREMIAH ‘THE BULL’ EVANS” VIDEO?
 - WHAT JEREMIAH EVANS SELLS AND HOW TO KNOW IF IT IS A LEGITIMATE PRODUCT OR SERVICE.

TYPES OF AFFINITY FRAUD DISCUSSED

- RELIGIOUS
- ETHNIC CULTURAL
- PROFESSIONAL
- ELDER FRAUD
- SOCIAL/ONLINE

CONCLUSION

- AFFINITY FRAUDSTERS GET VICTIMS TO **BELIEVE** IN SOMETHING THAT IS NOT REAL BY CONVINCING THEM TO **BELIEVE** IN THE FRAUDSTER RATHER THAN IN WHAT IS ACTUALLY BEING SOLD.

