



# KANSAS INSURANCE DEPARTMENT

*Vicki Schmidt, Commissioner*

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## **(Anti) Fraud Friday: Don't fall prey to pig butchering scams**

Topeka, Kan. – You have heard of the Nigerian prince scam, but you probably do not associate the term "pig butchering" with investment fraud. Like a hog fattened before the slaughter, perpetrators of these scams slowly build trust with their targets before "butchering" them with a final fraud and walking away with the victim's hard-earned money. The Office of the Kansas Securities Commissioner, a division of the Kansas Insurance Department, warns that pig butchering scams are one of fastest-growing investment frauds in the United States. According to the FBI's Internet Crimes Complaint Center (IC3), investment fraud, including pig butchering scams, totaled \$3.31 billion in reported losses in 2022.

Pig butchering scams typically unfold in stages. Scammers reach out to prospective victims unexpectedly through texts or messaging apps, often with an unusual explanation for contacting them. Fraudsters engage victims in non-investment-related conversations to build trust over time and gather information for manipulation. Once scammers establish rapport, they gradually shift conversations to investment topics. They convince their victims to let them invest their money in seemingly legitimate ventures, often via phony brokerage accounts or cryptocurrency platforms. As the scam matures, fraudsters pressure victims to deposit larger sums after faking initial investment gains. Once the large deposit is made, the fraud is complete, and the scammer disappears with the money.

"Pig butchering scams are a sophisticated take on the romance scam and are often targeted at those who are more isolated and therefore more vulnerable," said Kansas Insurance Commissioner Vicki Schmidt. "Protect yourself by ignoring unsolicited offers, and be on alert for anyone offering investment opportunities via text or messaging app."

Guard against pig butchering scams by recognizing the following warning signs:

**Unexpected contact from an unknown individual** – Ignoring any unsolicited contact from any individual you do not know is crucial, especially if it comes via text or messaging apps. Investments opportunities should be vetted by research and consultation with trusted individuals such as your financial advisor. Anyone claiming to be an investment advisor should be verified through [BrokerCheck](#).

**Requests for personal financial information** – You should never give personal information or sensitive financials to individuals via text or any other messaging app, especially if you have never met them.

**Claims of guaranteed or high returns** – As with many investment scams, a promise of a high return on your investment should be met with skepticism. If it sounds too good to be true, it probably is. No investment is without risk, and anyone contacting you claiming the opposite is likely a scammer.

If you suspect you have been a victim of securities fraud, please contact the Office of the Kansas Securities Commissioner at 785-296-3071 or file a complaint online at <https://insurance.ks.gov/department/ksc/complaint/ksc-complaint.php>. All investments carry risk, so visit [SmartInvestKS.com](#) to learn more about different types of investments and how to avoid fraud.

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*The Office of the Kansas Securities Commissioner, a division of the Kansas Insurance Department, regulates the offer and sale of securities in Kansas--the birthplace of "Blue Sky Laws." In 2017, the Office was merged with the Kansas Insurance Department.*