

# PIG BUTCHERING

*Helping investors protect their assets*

## PIG BUTCHERING SCAM—LIST OF COMMON TERMS

Investors need to understand the common terms related to Pig Butchering scams in order to protect themselves from being financially victimized.

**Cryptocurrency**—a digital currency in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority.

**Dating Apps**—an application that enables people to meet for a date and possible lasting relationship (i.e., Tinder, Bumble, eHarmony).

**Emotions**—a natural instinctive state of mind deriving from one's circumstances, mood, or relationships with others.

**Encrypted messaging applications**— provide end-to-end encryption for user-to-user text messaging. Encrypted messaging prevents anyone from monitoring your text conversations.

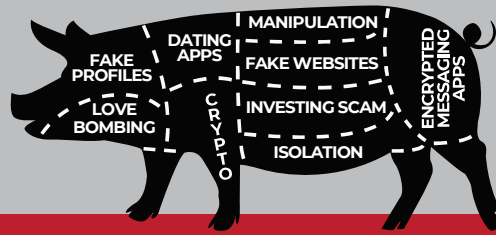
**Fake Profiles**—is a profile where someone is pretending to be something or someone that doesn't exist.

**Fake trading platform**—binary options trading platforms manipulate the trading software to distort binary options prices and payouts. For example, when a customer's trade is "winning," the countdown to expiration is extended arbitrarily until the trade becomes a loss.

**Investing scam**—happens when people try to trick you into investing money. A scammer may lie to you or give you fake information about a real investment.

**Love Bombing**—the action or practice of lavishing someone with attention or affection, especially in order to influence or manipulate them.

**Manipulation**—to control or play upon by artful, unfair, or insidious means especially to one's own advantage.



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## INVESTOR WATCH LIST Financial & Pig Butchering Scams

These websites, movies and podcasts can provide a learning opportunity for the investor, family and friends.

The websites also provide investor education materials and where to report a financial scam or fraud. Protect yourself and check it out!



### WEBSITES

**STATE REGULATOR** (can customize & insert state website)

#### OTHER RESOURCES

- North American Securities Administrators Association (NASAA)–[www.nasaa.org](http://www.nasaa.org)
- U.S. Securities and Exchange Commission (SEC)–[www.sec.gov](http://www.sec.gov)
- Financial Industry Regulatory Authority (FINRA)–[www.fnra.org](http://www.fnra.org)
- Commodity Futures Trading Commission (CFTC)–[www.cftc.gov](http://www.cftc.gov)
- Consumer Financial Protection Bureau (CFPB)–[www.consumerfinance.gov](http://www.consumerfinance.gov)
- Federal Bureau of Investigation (FBI) What we Investigate–[www.fbi.gov/investigate](http://www.fbi.gov/investigate)
- Federal Bureau of Investigation (FBI) Cyber Crimes–[www.fbi.gov/investigate/cyber](http://www.fbi.gov/investigate/cyber)



### MOVIES & VIDEOS

#### ON NETFLIX

- Dirty Money: The Guardian Inc.
- Fall from Grace
- Fyre–The Greatest Party That Never Happened
- Inventing Anna
- Madoff the Monster of Wall Street
- Money Explained–Get Rich Quick
- The Tinder Swindler
- Trust No One: The Hunt for the Crypto King

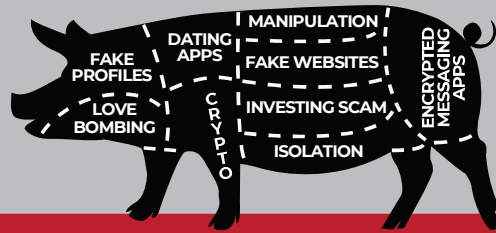
#### BBC WORLD SERVICE: A STORY ABOUT PIG BUTCHERING ROMANCE SCAM

[www.youtube.com/watch?v=oTgpOzMb0r4](https://www.youtube.com/watch?v=oTgpOzMb0r4)



### PODCAST

- NASAA podcasts (Real Life Regulators)/ The Alert Investor)



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## RED FLAGS OF PIG BUTCHERING

- Out of the blue text message from wrong number
- Build a relationship over time
- Encourage potential victim to start investing in cryptocurrency
- Quickly switch from one platform to another to avoid detection

## RED FLAGS OF AFFINITY FRAUD

- Will use their affinity or relationship with the investor to recommend an investment product or professional to work with
- Will advise that they made profitable returns and you should invest since it's only available for a limited time
- Church communities have used elderly or leaders to promote an investment

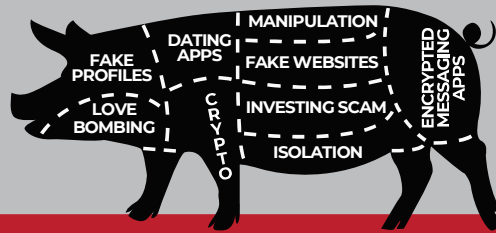
## RED FLAGS OF ROMANCE SCAMS

- Someone you just met quickly develops a strong relationship within your organization
- They encourage you to invest in a "new investment" that is making big returns
- Push you to invest because "everyone else" is doing it



## TIPS TO SPOT FAKE WEBSITES

- The domain of the website is similar to legitimate company or contains proprietary information, a "lookalike" or copy website.
- Company claims there is no investment risk or any other extreme claim about profits and guaranteed returns.
- If you google a section of text from the website, you will find multiple other websites with the exact same language.



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## WHAT IS A PIG BUTCHERING SCAM?

Pig Butchering is a term or metaphor that describes a scam perpetrated over a long period of time to steal the victim's money repeatedly via online apps. Also known as "Killing Pig Plate" or "Sha Zhu Pan" this scam started in China around 2019 and victims have lost millions worldwide.

## BACKGROUND

This scam was developed by Asian organized crime group/gangs and initially targeted individuals in China then moved to the United States.

- Scammers are human trafficking victims who are forced to perpetuate this scam for money or other financial opportunities
- Official training with procedure manuals is used to execute scam
- It is one of the leading scams reported to the FBI and is still underreported

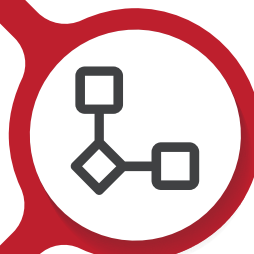
## THE FLOW

The fraudster and victim ("pig") usually meet online  
 The scammer works at gaining the trust ("fattening up") the victim  
 The fraudster directs victim to go to a private messaging service/app and fraudster will assist  
 The scammer convinces the victim to invest, what to do and where to deposit the money  
 The victim loses the investment. The money is gone as well as trusted friend ("the slaughterer")



## THE PROCESS

Starts with the scammer:  
 Often making contact with the targets over long periods of time and seemingly at random;  
 Then gaining trust before ultimately manipulating their targets into phony investments and disappearing with the money/funds.



## THE INTRODUCTION

The scammer may start off with a wrong number text, email, social media platforms, or dating applications  
 Take their time to set the "hook" or build the connection  
 Incorporates a romance scam with a long-term twist or even affinity fraud



## THE RELATIONSHIP

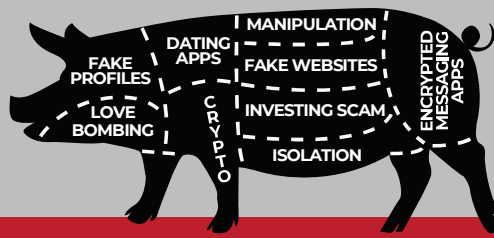
Meet online and build the relationship  
 Relationship grows over time (possibly becoming romantic)  
 Getting to know financial wants and fears  
 Introducing you to online investments  
 Talk of cryptocurrency and making money long-term



## OTHER SCAMS INVOLVED

**Romance Scam**—Developing a romantic relationship  
**Affinity Fraud**—Through a trusted community member(s)  
 Through an unexpected or random connection with online apps or websites





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## DON'T BE A VICTIM

- Have you been using social media apps that you don't understand?
- Did you give/share your personal or financial information with someone you just met?
- Did you invest with an online app and can't get your money back?

## WE ARE HERE TO HELP!

- Do you think you are a victim of a Pig Butchering scam, financial fraud or investment fraud?
- Act quick, get help and stop any wiring/transferring of money or cryptocurrencies.
- Make detail notes and keep all documentation relating to the transaction.
- Call your local police, law enforcement office or state securities regulatory to file a report.

### REPORT TO YOUR STATE SECURITIES REGULATOR

#### ACC- Securities Division

- ✓ Assists with the investigation or referral of cases involving investment fraud
- ✓ Provides educational resources

**Phone:** 602-542-0662

**Email:** [SecuritiesDiv@azcc.gov](mailto:SecuritiesDiv@azcc.gov)

**Online:** [azcc.gov/securities](http://azcc.gov/securities)

### REPORT TO POLICE AND LAW ENFORCEMENT OFFICE

For Non-emergency reports, it should be limited to very basic information:

- Name, age (estimate), address, and telephone number of the victim
- Full description of the suspect (if known)
- Description of the incident
- Location of the incident
- Description of scams and any online platform or apps you used
- Provide all the information you have includes tests, pictures, receipts, etc.

Remember, act quickly and if you believe the victim is in immediate danger, always call 911.



**Arizona Corporation Commission -  
Securities Division (División de Valores)**  
602-542-0662 [SecuritiesDiv@azcc.gov](mailto:SecuritiesDiv@azcc.gov)