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June 28, 2009

Free DVD Describes Criminal Career of New Mexico Con Man

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While billion-dollar swindles like Bernard Madoff's make the national news, most investment fraud is a local crime committed close to home. In most cases, the victims are friends, business acquaintances and relatives of the perpetrator.

Such was the case with Henry Rivera, a Taos con artist who scammed more than 50 New Mexicans out of millions of dollars before he was indicted on more than two dozen counts of securities fraud in 1994. Rivera fled to Mexico before his trial and lived under an assumed name for nearly a decade before he was recaptured. His 2006 fraud conviction resulted in the longest prison sentence ever handed down for a white-collar crime in New Mexico.

The Rivera case is the subject of *Betrayal of Trust*, an 18-minute documentary produced by the New Mexico Regulation and Licensing Department's Securities Division to raise public awareness of the risk posed by financial predators in our communities. The documentary is being distributed in DVD format at no charge to libraries, churches, senior centers and civic groups statewide. For a free copy of *Betrayal of Trust*, e-mail InvestorInfo@state.nm.us or call the Securities Division toll-free at 800-704-5533.

With friends like these

Rivera's actions were typical of what regulators call "affinity fraud"; in affinity fraud, a financial predator uses the relationships he cultivates through church, civic organizations or social groups to gain the trust of his victims. Rivera used his connections with a number of church congregations in Albuquerque and Northern New Mexico to lure investors into his fraudulent scheme.

Most cases of affinity fraud could be prevented if the victims exercise the same prudence they would apply to any investment offering from a stranger. Doing independent research on the investment; seeking advice from a trusted lawyer, tax adviser or other objective third party; and refusing to be rushed into making a decision are all common-sense precautions.

The single most important safeguard against fraud is to contact the Securities Division through our toll-free number and ask us to check on the individual offering the investment. We can tell callers whether the individual is a licensed financial professional and whether he or she is the subject of complaints or disciplinary actions.

The Securities Division can't give investment advice. We can't say whether the proposed investment is a good deal or not. But we can give New Mexicans the tools to make an informed decision and perhaps spot a potential fraud before it claims more victims.

One such tool is the division's new Web site, www.protectyourmoneyNM.org. It includes profiles of notorious con artists in New Mexico and nationwide, a checklist to assist in evaluating a proposed investment and links to other state and federal resources for investors.

Finance New Mexico is an initiative of the New Mexico Small Business Investment Corporation (NMSBIC) and its partners to assist individuals and businesses in obtaining skills and funding resources for their business or idea. To learn more about resources available to New Mexicans, go to www.FinanceNewMexico.org.

