

Commodity Futures Trading Commission teams up with SEC and Finra to combat investor fraud

Federal financial regulators collaborate on consumer website linking resources on advisers and investment products.

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Top financial regulators are teaming up to offer investors a one-stop online location where they can research the background of financial advisers and learn about financial fraud.

On Wednesday, the Commodity Futures Trading Commission launched [CFTC SmartCheck](#), a website that educates financial consumers about ways they could get swindled.

The site includes links to the Financial Industry Regulatory Authority Inc.'s BrokerCheck system, the Securities and Exchange Commission's product-registration database (EDGAR), the National Futures Association and the CFTC. It also offers links to interactive videos where users are taken through scenarios in which they are offered questionable investments.

The CFTC is rolling out SmartCheck with a nationwide television, print and online advertising campaign.

"The SmartCheck campaign is designed to arm investors with more tools and information," CFTC Chairman Tim Massad said Wednesday at an event at CFTC headquarters in Washington.

The site is a breakthrough because it localizes the process of checking the backgrounds of investment advisers and brokers. Prior to the site going live, investors had to visit the websites of individual regulators to access their databases.

Although the CFTC is taking the lead on the initiative, it has been working closely with the SEC and Finra, the industry-funded broker-dealer regulator.

"We want to be very strategic and very collaborative," said Michael Herndon, the CFTC consumer outreach officer. "Working together, we'll get this message out much further." The initiative marks the first time all the regulators have come together to [battle investor fraud](#), said Lori Schock, director of the SEC Office of Investor Education and Advocacy. "This is a great opportunity to have an anti-fraud message that's across the federal

financial agencies as well as the self-regulatory organizations,” Ms. Schock said on the sidelines of the CFTC presentation.

The CFTC invested about \$4.2 million in consumer protection in fiscal year 2014 and has budget authority to spend up to \$7 million in fiscal 2015, Mr. Herndon said. A provision of the Dodd-Frank financial reform law authorized the agency to set up a customer protection fund that finances its whistleblower office and education initiatives. Next year, the CFTC plans bolster the campaign by launching more ads and sponsoring events.