

Class Notes A04

1. Phone Scams & Fraud Prevention

- Scammers **impersonate FBI agents** and claim you are under investigation.
- They use **fear and urgency** to pressure victims into revealing personal information.
- **Common Tactics:**
 - They play on **fear and authority**—people are less likely to question law enforcement.
 - They request **immediate action**, like logging into financial accounts or making a small payment to "prove innocence."
 - They may ask you to **transfer small amounts first (\$1)** to gain trust, then request larger amounts later.
 - Some scams involve **verifying identity** by asking for security questions, card details, or account logins.
 - Scammers may start a **video call** to appear legitimate.
- **Prevention:**
 - Never share personal info over the phone.
 - Verify claims by contacting official sources.
 - "Digital Arrest" is fake, law enforcement doesn't work this way.

2. Creditworthiness & Financial Advice

- **Credit score** measures financial reliability; affected by payment history, debts, and credit usage.
- **Customer inequities** exist in financial access; AI helps personalize financial advice.
- AI tools suggest better **saving, investing, and loan options** based on financial history.

- Financial literacy is key, understanding credit and investment decisions helps avoid financial risks.

3. Algorithmic Trading & AI in Finance

- **Algorithm trading** automates financial transactions using AI.
- **Sentiment analysis** predicts stock trends by analyzing news and social media.
- **Deepseek Example:** Uses machine learning to recognize market patterns and optimize trades.
- **Algorithm patterns** help in detecting fraudulent activities and making secure financial decisions.