

Extend the story. That's how scams usually stay alive. A Press Release. A law suit. Those are the easiest ways to keep a story alive. They give the scammers something to point to and say "see, I told you so. It's a real issue". In reality anyone can put out a press release or file a law suit. The fact that they are there is what matters. Whether or not they have any basis is usually meaningless.

Another way to keep a scam alive is to get a politician involved. For some reason, rather than thinking it taints a situation, as I would, some seem to think it makes a scam stronger.

I don't know what it is about Utah Senators, but they always seem to be victimized to extend [scams](#). In this case, my email inbox, and the blog comments, are being filled with "See I told you so. It's real because Sen. Bennett of Utah says it's real."

Here are the comments from Sen Bennett as referenced in Dow Jones Newswires.

Donaldson fielded complaints from Sen. Robert Bennett, R-Utah, who said new SEC rules to combat short-selling abuses aren't working. Short-selling, which involves the sale of borrowed stock, is legal, the SEC chief noted. **But Bennett said it appears the SEC has failed to stop abusive "naked" short sales, in which sellers don't borrow stock and have no intention of borrowing it. He also raised concerns about stock-option accounting.**

Call me a cynic, but is it just a coincidence that Sen Bennett and Overstock.com's resident Naked Short Crusader CEO Patrick Byrne are all officed in the same city and state?

I won't jump to any conclusions, I will let the facts come out. I will however add that just because a Senator asks a question, particularly a Senator from Utah, doesn't give the topic any validity.

As I said above, to me it makes the argument more suspect. The smell gets worse. The harder someone tries to convince me the sky is falling down, the more I smell a scam. The Naked Short Crusaders are trying way too hard to convince me and anyone who will listen. The volume of "if you were only on our side, we would have a voice" emails is way too loud.

My scamdar is pretty good, and it's vibrating loud and clear on this issue.

The good news is, that where there is scamming going on, there is money to be made on the other side. I think I will start in Utah to look for companies that let worrying about Naked Shorts take time away from running their businesses.