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Money Investment Scams: Falling Victim to Easy-Money Traps Amid the Pandemic

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Abstract

This qualitative study employed a narrative inquiry methodology, utilizing a phenomenological approach anchored in Constructivism, to explore the lived experiences of ten investors in Tapaz, Capiz, who were victimized by large-scale money investment scams (primarily the Don Chiyuto scheme). The research was guided by the Victim Precipitation Theory, focusing specifically on the conditions and actions that contributed to the participants' financial vulnerability. Findings revealed that participation was primarily facilitated by trusted social networks—including friends, relatives, colleagues, and social media—and driven by strong motivational factors: the promise of high, rapid returns, the aspiration for improved socioeconomic status, and the pressure of community investment trends. Fraud realization occurred upon the failure of scheduled payouts, the disappearance of upline contacts, and public media exposure of the scams. The immediate adverse effects were profound, manifesting as severe psychological distress (including depression, stress, anxiety, and mental trauma) and significant family conflict. Demonstrating resilience, participants initiated coping mechanisms that included securing new loans to restart livelihoods, seeking professional therapeutic support, finding new employment, and consciously adopting a forward-looking perspective. The results conclusively affirm that a combination of underlying economic vulnerability and the pursuit of social validation are critical drivers in susceptibility to investment fraud.

Keywords: Victim Precipitation Theory, Investment Scams, Financial Fraud, Ponzi Scheme, Economic Vulnerability, Psychological Trauma.

Introduction

Investment scams have become a subject of global and local concern due to their widespread operation and destructive impact. Investment fraud, a subset of financial fraud, is defined as knowingly misleading an investor with false information for monetary gain (Beals et al., 2015). The increasing number of schemes is often linked to a lack of public awareness and individuals' propensity for risk-taking behavior. Fraudsters utilize strategies such as presenting sound business skills, employing technology for professional appearances, seeking small sums, and operating through pressure, coercion, and the display of authority (Button, Lewis, & Tapley, 2009; Button, Nicholls, & Kerr, 2014). Furthermore, victims may contribute to their own vulnerability by investing solely for individual monetary gain (Trahan et al., 2005; Trahan, Marquart, & Mullings, 2005).

This study concentrates on the Ponzi scheme (Pyramid scheme), which lures investors with promises of high returns in a short period by paying existing returns with new investors' money. Notable examples include Madoff's 2008 scheme and, regionally, KAPA and Rigen marketing in the Philippines (Marc Adrian, 2019), along with several "Double Your Money" schemes identified in the Province of Capiz (Jomuad, 2021). The research site, the Municipality of Tapaz, was selected following numerous complaints from local investors who had not received promised payouts. The study aims to determine the factors leading to victimization in this locality, especially amidst the ongoing pandemic.

The research is epistemologically anchored in Constructivism, which holds that knowledge is constructed through engagement and interpretation of the world (Crotty, 1998; Bruner, 1986; Creswell, 2009). Its theoretical framework is Phenomenology (Creswell, 2007), which seeks to describe the lived experiences of participants, and the Victim Precipitation Theory (Harper, 2014), which suggests victims may contribute to the criminal act. While literature documents scam mechanics and victim profiles (Wyk and Benson, 1997; Blanton, 2001), a gap remains in understanding the detailed, context-specific social processes and psychological experiences leading to mass uptake of schemes in specific vulnerable communities like Tapaz.

The study explored the lived experiences of the people of Tapaz, Capiz, seeking to determine the ways of implementing investment scams as perceived by the participants, what motivates the investors to join these schemes, how they learned that their investment was a scam, and the effects and coping mechanisms of the investors after knowing that they were victimized by money investment scams.

Review of Literature

Money Investment and Behavior

Investment is crucial for increasing personal wealth and achieving long-term goals like retirement. In the Philippine context, investment activity has been rising, reaching 39% of citizens (Lopa, 2020), yet high-yield schemes promising extreme returns (30% to 400% per month) persist, creating complex legal and economic dilemmas (Diaz, 2019). Although many investors prefer the "safety" of stable options like bank deposits, behavioral finance confirms deviations from pure rationality (Sewwandi, 2015). For instance, individuals exhibiting "negativeframe dependence" often prefer high returns by taking "non-calculative risk" (Charles & Kasilingam, 2012), highlighting that a strong investment culture is ultimately essential for national capital formation and economic growth (Reddy & Krishnudu, 2009).

Money Scheme Dynamics

Ponzi schemes are fundamentally fraudulent operations where returns promised to earlier investors are paid using the principal contributions of later investors (Anderson, 2009). The mechanism of success relies less on sophisticated salesmanship and more heavily on the perpetrator's charisma and established credibility (Anderson, 2009). These schemes typically attract older, educated victims, spread via word-of-mouth among acquaintances, and rely on demonstrated initial returns to convince others (Wilkins et al., 2012). Notable Philippine examples include KAPA (offering 30% monthly return) and Rigen Marketing (400% return in 30 days) (Adrian, 2019), and legally, such arrangements are classified as Investment Contracts that require mandatory registration with the Securities and Exchange Commission (SEC).

Factors Driving Participation in Investment Scams

The primary driver for mass participation in these schemes is the desperate desire to escape poor economic conditions, debt, and poverty (Collier, 2019). Participation rates are significantly higher in countries and regions experiencing poor economic conditions and lower living standards (Bosley & McKeage, 2015; Tajti, 2021). Socioeconomic pressures, including low income, unemployment, and inconsistent earnings, compel low-income earners to accept the high risks of pyramid schemes as a perceived means to generate essential household income (Lappeman et al., 2019). The appealing promise of quick, significant returns with minimal work offers a tempting possibility for the impoverished to break free from the poverty trap (Deb & Sengupta, 2020).

Long-Term Effects of Investment Scams

Investment fraud results in severe and prolonged negative consequences, leading to the phenomenon of "financial scarring" (Knupfer et al., 2021). Victims often underreport the crime due to shame or denial (NASD, 2006). The adverse outcomes are multi-dimensional, beginning with substantial labor market and financial distress, where victims experience long-run income losses averaging a 5% drop in annual labor income, increased reliance on social benefits, and higher financial distress (slower mortgage repayment, higher consumer loan acquisition). Beyond this, victims suffer severe psychological and social harm, including stress, anxiety, and depression (FINRA, 2015), alongside a significantly heightened risk of marital dissolution and divorce. Finally, this profound betrayal erodes trust in the financial system, causing victims to withdraw from future delegated investment activities (Gurun et al., 2018), which confirms these systemic welfare costs are distinct from typical capital losses in legitimate investments (Deason et al., 2015).

Methodology

This investigation employed a qualitative research design, emphasizing the value placed on the participants' thinking or point of view as conditioned by their personal traits. Qualitative research enables the construction and re-examination of theoretical foundations by describing and explaining the social world, allowing for a better understanding through first-hand experience. The goal is to understand how participants derive meaning from their surroundings and how this meaning influences their behavior (Mclead, 2017).

Narrative inquiry served as the methodology, which is the process of gathering information for research through storytelling, culminating in the researcher constructing a narrative of the experience (Connelly and Clandinin, 1990). This approach recognizes that humans lead storied lives, and research is a mutually constructed story between the researcher and the participant. As its epistemological stance, the study is anchored in Constructivism, which dictates that the researchers reconstruct the participants' worldviews regarding investment scams. The theoretical framework is Phenomenology (Creswell, 2007). Lastly, the study is guided by the Victim Precipitation Theory (Harper, 2014) as its micro theory, which views victims as partners who contribute to their own victimization by performing actions that made them vulnerable to investment fraud.

Participants of the Study

This study utilized ten (10) participants who were residents of the Municipality of Tapaz, Province of Capiz. Participants were selected based on a strict set of inclusion criteria: they must be a resident of Tapaz, Capiz; they must be male or female and at least 18 years of age; and they must be an investor who joined one or more money investment scams.

The participants were determined through snowball sampling, a form of purposeful sampling where researchers ask existing participants to recommend other persons to be sampled (Creswell, 2012). The sample size adheres to the recommendation of five to twenty-five participants for phenomenological studies (Creswell, 1998). The participants' ages ranged from 18 to 50 years old at the time of the interview, consisting of six (6) males and four (4) females. Their occupations were diverse, including government employees, private workers, students, and housekeepers. The civil status of the group was predominantly single, with only one participant being married.

Context and Setting of the Study

The study was conducted in a natural setting through interviews and observation, adhering to the procedures for ethnographic research. The setting was the Municipality of Tapaz, Capiz, Philippines, an agricultural region located in the centermost part of Panay Island. The municipality is composed of 58 barangays with a total land area of $59,743.88$ hectares. Participants were drawn from six different barangays: Poblacion Ilaya, Poblacion Ilawod, Cristina, Agcococ, Salong, and Daan Banwa.

Procedure of the Study

Following the approval of the research proposal, permission was sought from local authorities and participants. Data collection involved a face-to-face interview process. The researchers transcribed and encoded the gathered data for subsequent interpretation. To enhance consistency and validity, data collection utilized in-depth interviews and Focus Group Discussion (FGD) techniques. An in-depth interview encourages participants to talk comprehensively about the topic without the restriction of predetermined, short-answer questions (Creswell, 2013). FGDs were also utilized as they provide a more authentic environment where participants can influence one another (Casey and Crueger, 2000). An interview guide consisting of five open-ended questions was used to solicit information related to the research objectives.

Data Analysis

Thematic analysis, a form of pattern recognition, was employed to interpret and analyze the ethnographic data. This procedure follows Braun and Clarke's (2013) six phases. The first step was to familiarize with data, involving transcribing verbal data, careful reading, and identification of meanings and patterns. The second phase was to generate initial codes, encoding the entire data set and grouping similar codes. The third step involved searching for themes: clustering codes with similar meanings, labeling these clusters based on shared relationships, and then examining relationships between the clusters. Fourth, the researcher reviewed the themes, checking them against the original data to ensure they accurately capture the meaningful aspects without omitting important details. Fifth was to name and define the themes by utilizing the labels and providing a comprehensive name that describes the relationship or meaning conveyed in the theme, defining the theme according to the content and meaning of the codes, which summarizes the content. Finally, the sixth phase was to prepare the report, presenting the findings and interpretation of the data.

Ethical Considerations

The research adhered to ethical principles outlined in the Guidelines for Research Ethics in the Social Sciences, Humanities, Law, and Theology (2016), ensuring the well-being and interests of the participants were the top priority. Key ethical practices included the Duty to inform participants regarding the purpose, funding, data access, and consequences of participation. Consent and obligation to notify required that participants be informed about the use of personal data and give consent that was freely given, informed, and explicit. Confidentiality was strictly observed; personal data were de-identified, and publication of research material was anonymized. Voluntary participation was a core principle, and pseudonyms were utilized for all participants.

Results and Discussion

Pathways of Scam Identification and Recruitment

The analysis of transcribed narratives identified five dominant channels through which participants were initially exposed to or recruited into fraudulent schemes. These pathways, which leveraged both digital outreach and interpersonal trust, centered on: *social media, Friends, Neighbors, Relatives*, and the *Workplace*.

Social-Media as the Primary Gateway. Social media emerged as the most prevalent initial theme. Participants reported perceiving these investment scams through surfing the internet, online advertisements, and public social media posts.

One participant expressed the initial appeal: *"Sa Facebook post gha, may nabasahan ako about sa Chiyuto investment nga nami mag intra tungod ga double ya kwarta mo after pila ka days or one-month dugid."* [On a Facebook post, I read about Chiyuto investment stating that it is great to join because your money will be doubled after how many days or a maximum of one month.]

Similarly, another participant described encountering the scam during passive scrolling: *"Sa social media kay naga scroll2x ko that time tapos may nabasahan ako nga conversation didto sa isa ka page nga nami kuno mag invest kay madasig ang kwarta."* [I was scrolling on my social media account when I coincidentally read a posted conversation on a certain page that it is good to invest because the profit is high and fast.]

A third participant noted the pervasive nature of paid promotions: *"Tungod sa mga adds sir nabasahan ko daa. Mag games kaw or sa fb maglantaw ka vids may mga Makita ikaw kada about investment."* [Because of the advertisements I've read…. especially on games or facebook when you're watching videos, you will surely see something about investment.]

Peer-to-Peer Recruitment by Friends and Neighbors. The second theme involved influence from **Friends**. One out of 10 participants stated they perceived investment scams through friends who provided the idea or encouraged them to join.

One participant asserted: *"Sa friend ko sir nga naka agi na taya. Eh. tana man nagtudlo kanakon kung paano ya proseso ka pagtaya kay Chiyuto."* [From my friend who had experience to invest. He was the one who taught me how the process works in investing on Chiyuto.]

The third pattern identified was *Through Neighbors*. One participant reported perceiving the scam through a neighbor's shared idea, which encouraged her to invest despite her lack of understanding of the scheme.

One participant stated: *"Ahh. Nabal an ko ja tungod kay inday saylo nga ingud balay namonn…waay manko kamaan kung ano dato basta nagtaya dulang man takunn gani gha."* [Ahh. I found out about it because of Mrs. Saylo who is our neighbor. I have no idea about it, I just invested on it.]

Leveraging Familial and Professional Trust. Relatives and family members were the fourth theme, accounting for the perception of scams by 2 out of 10 participants.

One participant discussed the weight of familial trust: *"Tungod kay Dr. Chad nga akon hinablos noy. Tana naghambal kanakon nga ante taya ka bala diya hay agud dasig kwarta… Syempre Doktor dun sa nagpati man ako ei."* [Because of Dr. Chad who is my nephew. He told me, aunt you should try to invest on this because the profit is very fast. Of course, he's a doctor so I followed him.]

Another participant noted that the encouragement from a relative overcame initial hesitation: *"Tungod sa tiyo ko hambal na mataya kuno kamii… te hambal ko sige kol a. namangkot pako gani kana basi scam bala. Hambal na indi kuno."* [Because of my uncle who told me that we should invest. So, I responded yes. I even asked him that it might be a scam, but he told me that it is not.]

The fifth theme involved the *Workplace*, where 2 out of 10 participants perceived scams through colleagues discussing the high and fast profits.

One participant narrated: *"Uh. Sa officemate ko nabatian gha kay naka invest sila.*

Nabatian ko sa ila nga dasig ang kwarta… so amo to nag intra manko daw nag ride on ko kananda para hambal ko himuon ko nga savings ya income ko tuya." [I just heard it from my officemate because they already invested on it. I heard them that the profit is fast thus, I decided to join with them. I even told myself that my income from that investment will serve as my savings.]

Another participant highlighted how discussions surrounding payout schedules spurred curiosity among co-workers: "*Sa obra ko kay ang mga imaw ko naistoryahan nanda kung san o dun sanda ma payout about sa investment da kay Don. Chiyuto te amo da na curious man ako."* [From my workplace, because my workmates talk about the date, they will be having their payout from their investment from Don. Chiyuto which made me curious also.]

Motivational Drivers for Investment Participation. Participants' decision-making processes were heavily influenced by specific economic and social drivers. The analysis revealed three powerful concepts that overcame initial caution and motivated participation: *The promise of accelerated financial gain, the aspiration for socioeconomic mobility,* and *conformity to social trends*.*The Promise of Accelerated Financial Gain.* This was the strongest theme, encouraging 6 out of 10 participants due to the belief in high and rapid profit. One participant stated the decision to reinvest was based on speed: "*Na encourage ako tungod sa una ko nga ging tay an naka pay out ako pero ka isa lang so nag decide ako nga magtaya pagid sa iban para maghanggud ang akon kwarta te kay madasig ang kwarta mo."*[I was encouraged because on my first investment, I was able to have a payout but only once. So, I decided to joined with other investments so that my money will grow because the profit is very fast.]

Another participant was lured by promises of fast multiplication: "*Tungod madasig ang kwarta. Hay mahulat ka lang pila ka days ma triple na ang ging invest ko nga kwarta gali wala man."*[Because money is fast. You just have to wait how many days then your invested money will be tripled, but it turned out nothing.]

A third participant summarized the allure of fast money and social awareness: "*Tungod sa pagkamaan ko sang una madasig ang kwarta diya. Kag na curious ako kung ano ayhan sa feeling ang mag invest kag trending gid ang tay anay sang una."* [Because I knew at first that the money here is fast. I was even curious on what is the feeling of having an investment, and it is very popular that time.]

Aspiration for Socioeconomic Mobility. The second theme, motivating **3 out of 10** participants, was the belief that the investment would help alleviate their socioeconomic status. One participant's motivation was peer success: "*Tungod sir kay ang akon nga friend nakabakal na sang cellphone sa pag intra nya da kag kabakal sya nami nga bayo kag abi ko ma mayad man ang amon pangabuhi maskin papano."* [Because my friend was able to buy a phone through joining it and he was able to buy good shirts and I thought it would also improve our life at least.]

Furthermore, *envy* was a factor, as another participant discussed: "*Tungod man nga nainggit ako sa mga kakilala ko nga nakabakal na sanda sang mga gamit nanda kag ang isa kabakal na motor."* [Because I envy those whom I know who have bought already some things and one of them was able to purchase a motorcycle already.]

Conformity to Social Trends. Participants also joined due to the third theme, Conformity to Social Trends, simply following popular behavior without fully understanding the investment. The results align with Lappeman et. al (2019) on how economic restrictions influence financial choices. The findings also conform to the Victim Precipitation Theory.

One participant admitted to joining based on social pressure: *"Kay trending gid kato ya tay anay daw nagsunod malang ako sa uso pero basta nagtaya malang takun kag waay takun gani kamaan kung ano dato basta nagtao lang ako kwarta sa imaw ko kag nagsarig lang takun kananda."* [Because investment was really popular that time, it's just like that I followed what's trending. I invested without the idea about the investment but I just gave my money because I trusted them.]

Key Indicators of Scheme Collapse

The moment of recognizing victimization was not sudden but characterized by the breakdown of promised logistical features. This process of realization centered on three critical indicators of scheme collapse: *Loss of communication from scheme organizers, public exposure through media reports,* and *non-fulfillment of payouts.*

Loss of Communication from Scheme Organizers was the first signal. Participants realized they were scammed when uplines and team leaders became unreachable.

One participant revealed: *"Sang naghambal kanakon si Doc Chad nga waay dun kuno ga update ya amon nga ging padar an, amo to bal an ko na nga na scam gid ako."* [When Doc Chad told me that our upline no longer updates us, then that's time I have concluded that we were scammed.]

Another participant discussed the resulting state of limbo: *"Hambal ni inday angan anganon lang kuno hay hambal ka upline nanda waay pa ka update ya team leader nanda."* [Inday told us to just wait a little bit longer because the upline told her that their team leader hasn't updated them yet.]

Public Exposure through Media Reports. The second theme involved public media. Participants realized the fraud when the schemes were broadcasted and newscasted due to mounting victim complaints.

One participant noted the public crackdown: *"kay ging balita na nga duro na ang ging pauntat kag nagkaradakpan kadang investment scams."* [Because it was news casted that many were stopped from operating and others were caught because of these investment scams.] Another participant, already having doubts, confirmed her fears: *"Huod feel ko na scam na ako kay gina balita dun to sang una nga duro ang waay ka payout."* [Yes, because I felt that I was scammed because it was already news casted way back then.]

Non-Fulfillment of Payouts. The final theme was the non-fulfillment of promised returns. One participant expressed the ultimate disappointment: *"Waay na kay waay gausad ang payout."* [None, because payout has no progress.]

Another participant highlighted the disparity between rumors and reality: *"Hambal na ma payout kami pagka March. Naka invest na ako kag mabatian ko duro wala ka pay out gali."* [He told us that we're gonna have our payout in March. I already invested when I heard the news that many haven't received their payouts yet.]

***Psychological and Financial Aftermath: Effects and Coping*.**

This final section details the severe aftermath of financial fraud. The findings explore the profound psychological and social consequences suffered by the victims, alongside the subsequent *behavioral coping mechanisms employed to facilitate recovery and manage the trauma*.

Psychological and Social Consequences of Victimization

Victims suffered multifaceted negative effects, including *depression, stress, anxiety, loss of worth, mental and emotional trauma, guilt and regrets*, and *conflict among family members and married couples*. These align with FINRA (2015) findings regarding mental health effects.

*Suffered Depression***.** One participant revealed severe behavioral changes: *"Na depressed ako gha daw isa ka bulan ako nga wala nag report sa opisina. Naghinulsul ako nga nag buhi ako amo kato nga kantedad."* [I was depressed for one month and for almost a month I did not go back to the office. I regretted that I invested that amount of money.]

*Suffered Stress***.** Another participant concluded the stress was directly proportional to the capital lost: *"Na stress gidko. Hanggud nga kwarta ang nadura kanakon."* [I was stressed. I lost a huge amount of money.] A third participant added the stress was shared: *"Grabi gid ang epekto kanakon halos na stress ako pati bana ko ka natabo."* [It has a major impact to me, me and my husband were stressed because of what happened.]

*Suffered Anxiety***.** A participant described the emotional toll: *"Nagparanglain gid ako kay indi ako katurog kada gab i gina dakop ako ka anxiety ko kag pirmi lang ako gapinanumdom."* [I felt bad because I can't sleep at night because of anxiety and I always overthink.]

*Suffered Loss of Worth***.** One participant described feelings of self-blame and external condemnation: *"Masakit gid batyagon kay naduraan ako kumpyansa sa kaugalingon ko. Hay sang time ngato waay gidko it kwarta tapos ang 4500 nga abi ko ma doble naging scam pa gali. Inakigan gid ako sang akon tatay sir sang nabal an na datong natabo."* [It's painful because it feels like I lost my worth as a person. Because during that time, I don't have enough money and my 4500 pesos that were supposed to be doubled just turned out as a scam. My father got angry at me, sir, when he found out what happened.]

*Suffered Mental and Emotional Trauma***.** Another participant confessed to long-lasting behavioral consequences: *"Na trauma gid ako sang na scam ang akon kwarta. Daw nahadlok dun ko magtaya maskin sa ano lang nga bagay kay matyag ko ma scam ako liwat."* [I was traumatized when my money was scammed. I felt afraid to invest on any things because I feel that I will be scammed again.]

*Suffered Guilt and Regrets***.** A participant expressed profound remorse over lost savings: *"Lain gid ang epekto kanakon kag na guilty ako. Kay sang nabal an ko nga na scam ako grabi gid ang paghinulsul ko. Amo malang to ang savings ko na scam pa ako, 2 days waay ako nag duty hay indi ko mabaton sang time nga na scam ako."* [It has a bad effect on me and I was guilty. Because when I knew that I was scammed, I had major regrets. That's the only savings I had but I was still scammed, 2 days I did not go to work because I can't accept the fact that time that I was scammed.]

*Suffered Conflict Among Family Members and Married Couples***.** Financial loss led to domestic strife. One participant narrated: *"Nag away kami ni misis tungod sa natabo, halos isa ka semana nga waay sa nagsapak kanakon kay ang kwarta na scam."* [We fought each other of my wife because of what happened. It's almost one week since she hadn't interacted with me.]

Behavioral Coping Mechanisms and Recovery

*Financial Rebuilding through Loans and Enterprise***.** Two out of 10 participants secured loans to establish new livelihoods. One participant stated the need for practical action: *"Ging pasa Diyos ko nalang gha kag nag move on kay bal an wala naman to chansa nga mabalik. Nangutang kami ni misis para ka negosyo kami maskin papano."* [I just entrusted it to God because I know that our money will never give back to us. Me and my wife loaned money so that we can have a business at least.]

Another participant highlighted the necessity of rebuilding: *"Nangutang ako liwat para makabangon kag nagpatindog tiyangge kay kung indi ka mangutang waay man kami bul an... Nagbangon ako liwat para sa mga bata ko kay bal an ko makit an malang dang kwarta basta gabakas."* [I had loaned again so that I can start over and build a small sari-sari store. If I wouldn't loaned, I have no one to borrow... I rose up for my children and I know that money can be obtain as long as you work hard for it.]

Seeking Professional and Occupational Diversion. One participant sought therapy to process the event: *"Ging baton ko dulang ang natabo kanakon. Nagpa check up gid ako kay grabi gid ang nangin epekto sa akon sang na scam ako. Pasalamat ako sa Ginoo nga sa darayon nabaton ko dun kag naka recover pa ako."* [I just accepted what happened to me. I went for a check-up because it has a major impact on me when I was scammed. I thanked God because I was able to accept it as time passed by, and I was able to recover from it.]

Two participants immediately focused on *finding employment* to replace the lost capital. One participant prioritized work: *"Ging pabay an ko nalang kay bal an ko indi naman magbalik. Ging toon ko dulang ya oras ko sa pagpangeta obra kay bal an ko ang 4500 makita koman da gihapon."* [I just neglected it because I know that it will not be return to me. I just focus my time on finding a job because I know that 4500 pesos will still be procured.]

Another participant concluded that moving on was essential for survival: *"Ging pabay an dulang namon ni banahon ko kag nag tutok dulang tamon ka pangeta obra para mabuhi hay kung panumdumun kopa to galain lang buot ko."* [Me and my husband just ignored it and we just focus on finding a job so that we can survive, if we keep on thinking of what happened it will just make us feel bad.]

Cognitive Reframing and Hope for Justice. Five participants chose to move forward, viewing the experience as a major life lesson, though some still hoped for justice. One participant managed through distraction: *"Ging divert ko dulang attention ko sa iban nga bagay para indi ako sagid ka panumdum."* [I just diverted my attention to other things so that I wouldn't think about it.]

Another participant hoped for systemic closure: *"Nag look forward kag nagbangon* *liwat. Nag move on nalang ko kay sobra one-year naman dato. Gabay pa nga mataw an hustisya kami nga mga biktima."* [I just look forward and rose up. I moved on because it's been over a year already. I hope that justice will be served for us victims].

Conclusion

The present study reveals that susceptibility to investment scams is a multidimensional process involving digital exposure, interpersonal influence, and powerful socioeconomic motivations. The analysis established that the initial perception of these schemes was primarily facilitated by Social media, which acts as the initial, high-volume gateway, quickly reinforced by peer-to-peer recruitment that leverages familial and professional trust across social and workplace networks.

The decision to participate was overwhelmingly driven by the economic lure of the promise of accelerated financial gain, specifically the belief in high and rapid profit. This financial urgency was compounded by the fundamental aspiration for socioeconomic mobility and the behavioral tendency towards conformity to social trends, wherein victims joined simply because the investment was popular among their peers.

Victimization was not immediately recognized but was confirmed through a breakdown of scheme operations, primarily evidenced by three core indicators: loss of communication from scheme organizers, the resulting non-fulfillment of payouts, and the subsequent public exposure through media reports.

The psychological and social consequences of victimization were severe and multifaceted, including depression, stress, anxiety, guilt and regrets, and conflict among family members. To manage this trauma, victims adopted active behavioral coping mechanisms and recovery strategies, most notably financial rebuilding through loans and enterprise (e.g., establishing small businesses), seeking professional and occupational diversion (finding new employment), and utilizing cognitive reframing by consciously choosing to move forward and view the experience as a major life lesson.

Recommendations

The findings suggest targeted interventions are necessary across regulatory, educational, and support systems to mitigate the pervasive effects of investment fraud.

Regulatory and Public Awareness

To counteract the primary recruitment pathways, regulatory bodies (e.g., SEC) must urgently implement targeted digital literacy and scam awareness campaigns that monitor and directly address the high-yield promises circulating on social media platforms. Simultaneously, the dissemination of scam information must be rapid: official warnings should be issued immediately upon media exposure of a scheme to reach victims who are relying on news broadcasts for scheme validation, thereby reducing continued participation. Furthermore, authorities must actively and swiftly monitor and dismantle operations promoting returns far exceeding market norms, such as those promising 30% to 400% profit, to directly challenge the promise of accelerated financial gain that lures victims.

Financial Education and Trust Management

Educational efforts must pivot to address the behavioral and social drivers identified in this study. Programs should focus less on sophisticated investment instruments and more on the dangers of interpersonal trust in financial decision-making, especially when recommendations come from close friends, relatives, or colleagues who lack official regulatory credentials. Education must actively dismantle the narrative that quick wealth leads to socioeconomic mobility, instead promoting realistic, long-term wealth accumulation strategies to counter the high-risk appetite and conformity to social trends observed.

Victim Support and Recovery

Given the severe psychological and social consequences—including stress, depression, anxiety, and family conflict—specialized support services are required. Financial and social institutions should establish programs offering immediate psychosocial support coupled with expert debt management counseling for fraud victims. This integrated approach is essential to address the trauma and guilt experienced, prevent further financial distress (such as taking on high-interest loans for rebuilding), and aid in the rebuilding through loans and enterprise demonstrated by the participants' coping strategies.

Limitations

The primary limitation of this research lies in its qualitative design and the small, localized sample size of ten participants (N=10). This methodology, while providing rich depth of understanding, restricts the generalizability of the findings to the broader population of investment scam victims. The results are inherently contextualized by the regional schemes (such as the Chiyuto investment) and the specific economic pressures of the period in which the study was conducted. Therefore, the observed pathways, motivations, and coping mechanisms, while empirically valid for this cohort, require further validation through quantitative research methods utilizing larger, more geographically diverse samples to establish statistical significance and wider applicability.

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