SCAM STOPPERS PROVIDE TIPS TO PROTECT ALABAMIANS DURING PANDEMIC

MONTGOMERY, ALABAMA (April 30, 2020) – During uncertain times, fraudsters remain on the prowl and ready to take advantage of you. Do not let them. The Alabama Securities Commission (ASC) has gathered resources from the Consumer Financial Protection Bureau (CFPB), the Better Business Bureau (BBB), the Federal Deposit Insurance Corporation (FDIC), and the North American Securities Administrators Association (NASAA) that will help protect Alabamians from coronavirus con artists.

ASC Director Borg said, “Crooks will rip their scams right out of the headlines. Don’t be surprised or fooled by investment opportunities in COVID-19 vaccines or other preventative measures with promises of unbelievable profits. Before you part with your money, contact the ASC by calling 1-800-222-1253 to verify that the product and person making the offer are registered, as required by Alabama law.”

The CFPB explains that the first line of defense in protecting your finances is you. They offer excellent educational materials that will prepare you with the knowledge you need to combat fraudsters and keep your money safe. You can find information on how to spot the red flags of a scam and protect your identity by following the links provided.

The Better Business Bureau (BBB) serving Central & South Alabama provides valuable insight on protection from charity scams. Fraudsters attempt to exploit your desire to help those affected by COVID-19 and prey on the charitable. Before you donate, verify a charity’s tax-exempt status on IRS.Gov. You can also conduct an in-depth review of the organization’s IRS form 990 and determine how the organization allocates resources. Websites like GuideStar and Charity Navigator provide additional, vital information on most nonprofits.

Monde Donaldson of the BBB says, “You are invited to use our resources at BBB.org to learn more about scams and find background information on other businesses.”

A certificate of deposit (CD) is a product offered by banks and credit unions that provides an interest rate premium in exchange for leaving a lump-sum deposit untouched for a predetermined period of time[1]. Bogus CD’s may require high initial deposits, have higher than normal interest rates and no early withdrawal penalties. If a company claims deposits are insured, trust but verify by visiting the FDIC website.

In a recent press release, NASAA explained that, “scammers will seek to take advantage of concerns with the volatility in the securities markets to promote ‘safe’ investments with ‘guaranteed returns’

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[1] Definition provided by Investopedia
including investments tied to gold, silver and other commodities; oil and gas; and real estate.” NASAA urges investors to be cautious of “get rich quick” schemes that promise to deliver fast returns for those in need of immediate returns to help make ends meet during this crisis. More information about the various types of investment fraud and how to protect yourself can be found by visiting the NASAA website [here](#).

The ASC cautions citizen investors of all ages and experience to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC at 1-800-222-1253 to check out any person or financial professional offering an investment opportunity or investment advice for a fee, and the products they offer for proper registration. Contact the ASC to report suspected fraud, inappropriate securities business practices or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website and through educational presentations upon request.

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If you have questions or want more information contact Dan Lord, Education and Public Affairs Manager by email: [dan.lord@asc.alabama.gov](mailto:dan.lord@asc.alabama.gov) or call 334-353-4858.

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