

ALABAMA SECURITIES COMMISSION

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Three Spooky Scams to Watch Out for This Halloween

Montgomery, Ala., (October 28, 2021) – In conjunction with National Cyber Security Awareness Month, the Alabama Securities Commission (ASC) is issuing this alert to inform investors of current scams targeting residents. Fraudsters operate with the intent to cheat and their tactics can be convincing. Don't be fooled. When fraudsters come knocking, they only want to trick you.

Con artists are masters of disguise. They can create legitimate-looking emails, artistic websites and promise astronomical returns to convince you to part with your hard-earned money. Once hooked, it can be difficult, often impossible, to secure the lost funds.

"Fraudsters will use any method available to cheat investors out of thousands of dollars," said ASC Director Joseph Borg. "We are seeing an increase of scams where fraudsters seek access to a person's cellphone or computer. From there, they could install malware or drain investment and bank accounts."

Below are three spooky scams to watch out for and tips to better protect yourself from them.

Phishing emails are becoming a popular tool for scamsters. This happens when a phony company sends an email that appears to be real. Often, there is a fraudulent "charge" and individuals can dial the number on the e-bill to dispute it. When consumers call, the operator will appear to be helpful, but will ask for your credit card information to cancel the charges. Uninformed residents may provide the information and fall victim to this type of scam.

Protect yourself and spread the word to others to avoid emails from unknown or suspicious-looking senders. Always contact your credit card company **directly**, by looking for their phone number on your most recent statement, to dispute charges. Don't forget to regularly update your software settings and be suspicious of email links.

"In this digital age, the tools con artists use have changed significantly, but their tactics have not evolved much. They are still using fear and other strong emotions to try and take advantage of investors," said ASC Chief Deputy Director Amanda Senn. "Slow down and be cautious when clicking on any links or download buttons."

Online shopping scams are another scam to be on the lookout for. These cons typically trick you with 'bait and switch' techniques. Fake vendors advertise a popular item for much cheaper than other legitimate retailers. Elated by their good fortune at finding such a deal, shoppers will become unusually compliant as "sales representatives" direct them to download apps and click links from text messages. After a few quick clicks, the would-be seller ends up installing malware on the shopper's device. Not to mention, the consumer will never receive their purchase.

To protect yourself from the online shopping scam, never install apps at the direction of a random text or a "sales representative." Remember, downloading files and visiting websites sent to you via email, social media or text message is dangerous. If you install malware, fraudsters can run up credit cards and drain financial accounts. If the deal sounds too much like a steal, lookout, you might be the one getting robbed.

Phony Crypto Companies are soliciting investors with the promise of high returns and little to no risk. With Bitcoin trading the highest in its history during October, con artists are on the lookout for investors on the hunt for the next big thing in cryptocurrency. Fraudulent companies are trying to deceive investors by cloaking themselves as the real deal. Their websites typically feature fake testimonials, stock photos of their cybersecurity equipment, and offer huge, guaranteed returns that claim to be risk-free.

ASC has issued 28 cease and desist orders to fraudulent crypto firms soliciting Alabama investors since 2019. To protect your money, call the ASC and make sure the investment is registered. Don't forget **all** investing involves the risk that you may lose part or all the money you invest.

The ASC cautions investors to thoroughly research any investment opportunity. Call the ASC at 1-800-222-1253 and ask for the registration department to check out persons offering investment opportunities, investment advice for a fee and any products they offer. Contact the ASC to report suspected fraud, inappropriate securities business practices, or to obtain consumer information. Free investor education and fraud prevention materials are available at www.asc.alabama.gov.

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For further information contact 1-800-222-1253 and ask for Public Affairs.

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