

ALABAMA SECURITIES COMMISSION

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**Alabama Securities Commission Warns Citizens to Beware of Financial Scams
Relating to the Coronavirus Outbreak and Planned Government Payments**

MONTGOMERY, ALABAMA (March 20, 2020) —The coronavirus (COVID-19) is changing the way we conduct our daily lives. The Alabama Securities Commission (ASC) is reminding Alabamians to beware of con artists seeking to capitalize on fear and uncertainty as we learn to adapt to a new, but temporary, way of life of social distancing, working from home, home schooling, and other changes to our daily routines.

The United States Department of the Treasury recently warned that If you receive calls, emails, or other communications claiming to be from the Treasury Department or other Federal or State Agency and offering COVID-19 related grants, checks or stimulus payments in exchange for personal financial information, or an advance fee, tax, or charge of any kind, including the purchase of gift cards, **do not respond. These are scams.** Give no information, and if by telephone, just hang up, and delete emails and text messages. Report the contact to the FBI at www.ic3.gov so that the scammers can be tracked and stopped.

At this time, there is no vaccine or any natural health product that is authorized to treat or protect against COVID-19. Be cautious of any claims that a company has a solution to help stop the coronavirus outbreak. Reliable information relating to COVID-19 is available from the World Health Organization and the United States government.

“We know con artists are opportunistic and use current events to cloak their schemes with an air of immediacy and legitimacy. Never make an investment decision without understanding what you are investing in, who you are doing business with, where your money is going, how it will be used, and how you can get it back,” said ASC Director Joseph P. Borg. “Always ask if the salesperson and the securities or investments are registered with the Alabama Securities Commission ---then call us to verify they are in fact licensed or registered.”

Director Borg also said investors should be on the lookout for scam artists trying to use the market downturn and the coronavirus to scare investors into so-called “safer, guaranteed investments.” Alabamians with concerns about their retirement accounts or investments should talk to their financial professionals. “Avoid making decisions based on panic or fear,” said Borg.

Fraudsters are looking to capitalize on the recent volatility of the stock market. They will tout positive information about products related to COVID-19 (like a new cure or vaccine venture) that will attract investors and the information **will be false.** The more investors invest, the more the product price will be “pumped up.” The fraudster will then quickly “dump” their

stock resulting in a substantial payout for them. The stock price will drop, and the remaining investors will lose their money.

To help investors identify common telltale signs of possible investment fraud, the Alabama Securities Commission has provided three questions to ask **before** making a new investment.

1. Is the investment being offered with a guaranteed or high return with little or no risk? All investments carry risk that you may potentially lose some or all of your money. Anyone making a claim that an investment is “risk-free” is lying. No one can guarantee an investment return.
2. Is there a sense of urgency or limited availability surrounding the investment? If the offer is legitimate, it will still be available at a later time. If someone offers you a “can’t miss” investment opportunity and puts you on the spot, don’t be afraid to walk away.
3. Is the person offering the investment licensed? Are the securities underlying the investment, properly registered? For the same reasons you wouldn’t go to an unlicensed doctor or dentist, you should avoid unlicensed securities brokers and their investment products.

“Make sure you have all the facts and other information necessary to make an informed decision before turning over your money to another individual to invest on your behalf—afterwards may be too late,” said Alabama Securities Commission Chief Deputy Director Amanda Senn.

Whether you are a new or experienced investor, the ASC cautions you 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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For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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