

ALABAMA SECURITIES COMMISSION

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Alabama Securities Commission Flattening the Threat of COVID-19 Con Artists Targeting Alabama Investors

MONTGOMERY, ALABAMA (May 1, 2020) The Alabama Securities Commission (ASC) announced today that it joined an international enforcement task force organized by the North American Securities Administrators Association (NASAA) to investigate fraudsters looking to capitalize during the novel coronavirus COVID-19 pandemic.

ASC is a member of NASAA, the membership organization of state and provincial securities regulators in the United States, Canada and Mexico. The task force consists of state and provincial securities regulators and was formed to identify and stop potential threats to investors stemming from the COVID-19 pandemic. Task force members are using online investigative techniques to identify websites and social media posts that may be offering or promoting fraudulent offerings, investment frauds, and unregistered regulated activities.

“COVID-19 investment schemes are a significant threat to Alabamian investors,” said Director Joseph P. Borg. “Cybercriminals need to know that the Alabama Securities Commission is dedicated to effectively protecting investors from COVID-19 investment scams.”

To assist in protecting investors from COVID-19 investment scams the ASC launched a new email address to encourage public reporting of fraudulent COVID-19 scams. Investors who see or suspect they fell victim to COVID-19 related investment scams can directly report them by email; send details to COVIDCONS@asc.alabama.gov.

“Reporting suspicious COVID-19 related investment offers is important to help the ASC investigate and prosecute illegal activities and protect Alabamians from becoming a victim of financial fraud.” said Chief Deputy Director Amanda Senn.

A critical component of the “COVID-19 Sweep” is investor awareness. To help investors identify red flags of possible investment fraud the Alabama Securities Commission has provided some questions to ask before making a new investment.

1. Is the investment being offered with a guaranteed high return with little or no risk? All investments carry risk that you may potentially lose some or all your money. Anyone who says their investment offer has no risk is lying and no one can guarantee an investment return.
2. Is there a sense of urgency to invest or limited availability of detailed information

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surrounding the investment? If someone offers you a “can’t miss” investment opportunity and pressures you to invest right now, don’t be afraid to walk away.

3. Is the person offering the investment, and the investment itself, properly licensed or registered? For the same reasons you wouldn’t go to an unlicensed doctor or dentist, you should avoid unregistered investment salespeople and their products.

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 or call 334-353-4858.

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