

ALABAMA SECURITIES COMMISSION
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WATCH FOR SCAMS IN FLORENCE'S WAKE

MONTGOMERY, ALABAMA (September 18, 2018) – In the wake of widespread damage caused by Hurricane Florence, the Alabama Securities Commission (ASC) today cautioned investors to watch out for opportunistic investment or charitable scams.

“Natural disasters bring out the best and worst in people. While news stemming from Hurricane Florence has rightfully focused on the tireless efforts of first responders and neighbors helping neighbors, we know from experience that financial predators are lurking like snakes in the water to seek profit from the misfortune of others,” said Director Joseph Borg. “Unsolicited investment offers seeking to capitalize on the aftermath of Hurricane Florence should be approached with extreme caution.”

Borg reminded investors to watch for red flags of hurricane-related scams, including unsolicited email, social media messages, crowdfunding pitches or telephone calls promoting investment pools or bonds to help storm victims, water-removal or purification technologies, electricity-generating devices and distressed real estate remediation programs. He said scam artists may linger long after the storm has passed to prey on victims who anticipate receiving large lump-sum insurance settlements for damaged property and other losses.

The agency also cautioned about fraudulent charitable solicitations that prey on the goodness of people seeking to help those in need.

“There will be fraudulent solicitations for charities in Florence’s wake,” Borg said. “Donors are reminded to do their research. As with any charitable contribution, those who want to contribute to relief efforts should send contributions to charitable organizations that are registered properly with state authorities and with an established track record of getting donations to victims.”

The ASC offers three quick tips to help investors avoid disaster-related scams:

- Delete unsolicited emails or social media messages and hang up on aggressive cold callers promoting hurricane-related investments, especially those from small companies touting unproven or new technologies or products.
- Use common sense. Claims of guaranteed returns or low/no investment risk are classic red flags. Every investment involves some degree of risk.
- Do your homework. Contact the Alabama Securities Commission to check that both the seller and investment are licensed and registered. If not, they may be operating illegally. Contact information for other state regulators is available on the North American Securities Administrators Association’s (NASAA’s) website: www.nasaa.org.

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