

ALABAMA SECURITIES COMMISSION

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ASC Warns Alabama Residents: Don't Lose Your Life Savings on Love this Valentine's Day

Montgomery, AL (February 13, 2025) – While love may be in the air this month, so are romance scams. According to the Federal Trade Commission, reported losses for romance scams in 2023 totaled \$1.14 billion, with an average loss of \$2,000 per person. This is the highest reported loss due to imposter scams.

Romance scams have evolved along with technology and fraudsters stay on the cutting edge of new developments. Through artificial intelligence enhancements, fraudsters have the capability to quickly collect data from the internet and build victim profiles. With the breadth of social media available, the swath is even wider. "Pig butchering" is a type of scam that can involve both romance and social media. Pig butchering scams rely on friendly or romantic connections in order to succeed.

In a pig butchering scam, the fraudster collects information about individuals and uses the information to target victims through various social media accounts. Once a connection has been made, the fraudster works to build the trust and confidence of the victim. During this time, fraudsters convince victims to invest in projects or other investments, often directing victims to a fictitious website in order to create the appearance of legitimacy. Victims are lured into making multiple investments as the fraudsters provide a financial "return" on the first few transactions. Once the victim believes the investment is lucrative because of the money that appears to be generated, more funds are invested. Eventually, the victim is financially depleted, and left emotionally and financially devastated.

"The 'Pig Butchering' scam has been on our radar since the pandemic, and we have been extremely proactive in promoting awareness of this crime to prevent the devastating losses. The reality is, once a victim transfers money to the fraudster, either directly or through a gift card, the funds are irretrievable. This is why it's critical to educate the public and raise awareness of these crimes. Our office has heard the tragic stories of so many victims of the cryptocurrency scam that we recreated their stories through a video which depicts the impact of these crimes," said ASC Director Amanda Senn. You can view the video by clicking this [link](#).

To make sure you don't lose your life savings on "love" this Valentine's Day, watch for the red flags of fraud: grammatical errors, overseas work operations, diverting communications to other platforms and secret messaging systems, refusal to meet in person or video, and requests for money. Always research your love interests and your investments. Google and other search engines provide tools to allow users to collect information about people they meet online. "Reverse image" searches can search a photograph of someone you met online to determine if the photograph may have been fabricated or pulled from another source. For investment information, consult a trusted friend or investment professional, and call the ASC to verify the legitimacy of the person and company soliciting the investment.

The ASC cautions investors to thoroughly research any investment opportunity. Call the ASC at 1-800-222-1253 and ask 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