



Financial Exploitation Newsletter

Financial exploitation is on the rise, and the Alabama Securities Commission (ASC) is strengthening its commitment to investor education through a Financial Exploitation Newsletter. In our third issue, you'll find information about critical legislation devoted to protecting Alabamians from fraud, helpful resources for identity theft, key financial exploitation statistics, and a look at some of the latest scams making their way into Alabama.

Report identity theft and get a recovery plan

[Report Identity Theft](#) →

[Deal With a Data Breach](#)

[Browse Recovery Steps](#)

IdentityTheft.gov can help you report and recover from identity theft.

HERE'S HOW IT WORKS:

Tell us what happened.
We'll ask some questions about your situation. Tell us as much as you can.

Get a recovery plan.
We'll use that info to create a personal recovery plan.

Put your plan into action.
If you create an account, we'll walk you through each recovery step, update your plan as needed, track your progress, and pre-fill forms and letters for you.

Identity theft is a crime in which someone steals your personal or financial information—such as your Social Security number, bank account details, or credit card numbers—to commit fraud. As of 2026, identity theft and related scams continue to rise, causing billions of dollars in losses each year. While financial losses vary widely, some victims lose tens of thousands of dollars. In severe cases, losses can exceed \$1 million.

The Federal Trade Commission has a resource to help victims of identity theft with three simple steps: **File a report - Get a recovery plan - Put the plan into action.**

If you or someone you know has fallen victim to identity theft, visit www.identitytheft.gov.

2026 Legislative Updates

The 2026 Legislative Session ended with the passing of several bills aimed to help protect Alabama residents from fraud and encourage innovation in Alabama's financial markets. **These Acts will go into effect October 1, 2026.**

The Cryptocurrency Kiosk Fraud Prevention Act of 2026

This Act imposes daily transaction limits for first time customers of cryptocurrency kiosks; provides protocols for refunds to victims of fraud; requires certain disclosures; enables live customer service; and implements fraud detection and monitoring. It also contains enforcement provisions and penalties.

The Alabama Property Protection Act

This Act is intended to address the rising threat of real estate fraud in Alabama. It will require identification verifications at multiple points throughout the property titling and selling process. It will also increase the fraudulent sale of real property to a Class D Felony. This act gives ASC the authority to investigate real estate frauds - many of which are perpetrated against seniors - and enforce the law. The legislation further establishes a way to fast-track the court procedure, allowing fraudulent conveyances to be voided quickly and the titles of the properties to be restored to their rightful owner.

The Financial Innovation Market Expansion Act

This Act creates an Alabama stablecoin issuer license under the GENIUS (Guiding and Establishing National Innovation for U.S. Stablecoins) Act for issuers seeking to issue \$10B or less in stablecoin.

Reporting Statistics (Q1 2026)

Thanks to Alabama’s financial industry, we have prevented millions of dollars from being lost to fraud and theft. A decision to delay, or hold, a disbursement or distribution can be a lifesaver for many victims when fraud is apparent. Alabama’s financial institutions have the authority to hold or delay transactions when fraud is suspected against a senior or vulnerable adult. More than **2,000** reports have been filed since 2016 when the reporting laws were enacted.

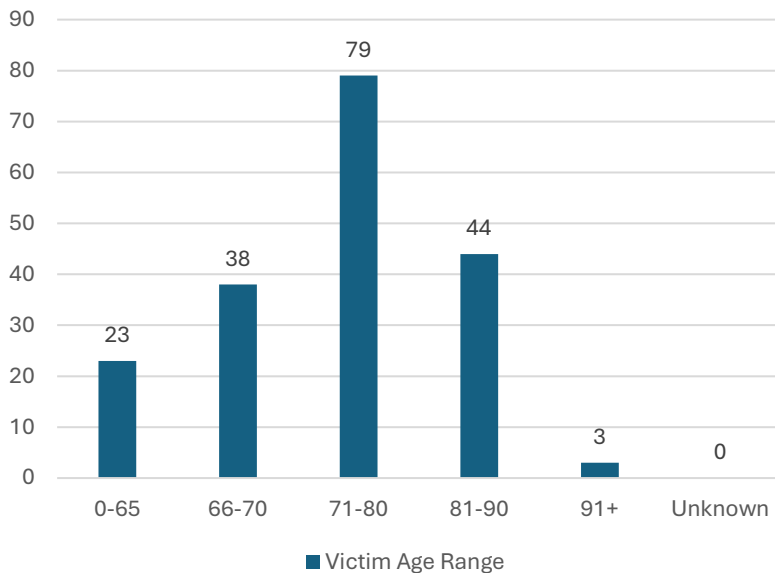
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Reports from Industry
(Jan. 1 – Mar. 31, 2026)

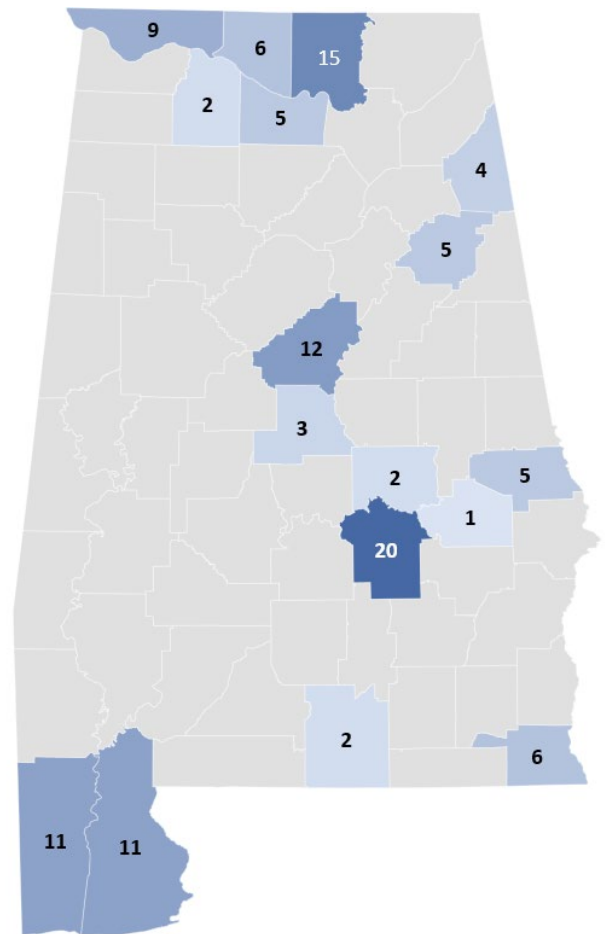
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Reports in 2025

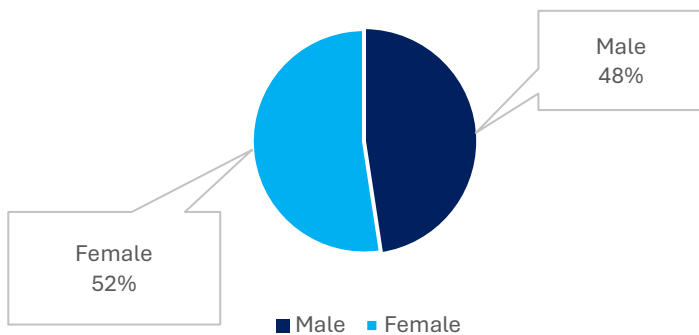
Victim Age Range



Victim Location by County



Victim Demographics



Report suspected financial exploitation to the Department of Human Resources and the ASC’s Financial Exploitation Division at [Financial Exploitation Reporting Form – Alabama Securities Commission](#).



SCAM ALERT



The ASC receives a wide range of financial exploitation reports where scammers utilize various tactics to take advantage of unsuspecting victims. The [Scam Alert](#) page on our website provides the latest information on the most common fraud techniques and how Alabama residents can protect themselves from scams. The cases described below are examples of reports the Commission has received.

Identity Theft Scam

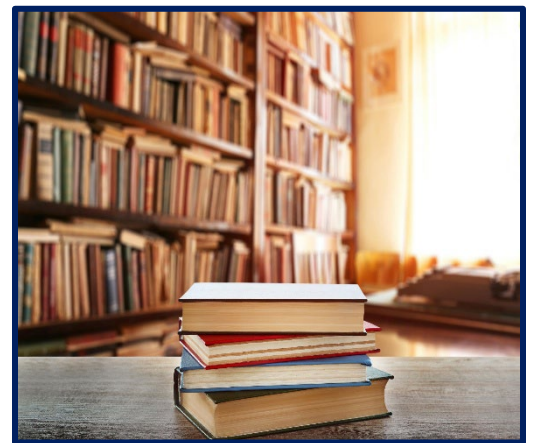


Identity theft reports continue to rise. In many cases, victims receive a phone call from someone impersonating a trusted business, government agency, or other legitimate organization. During the call, the scammer persuades the victim to disclose personal information, which is then used to access existing financial accounts or open new accounts in the victim's name. Victims are often unaware that their identities have been compromised until they receive a notice regarding an unfamiliar account or are alerted to suspicious activity by their financial institution. ASC is collaborating with local Departments of Human Resources and financial institutions to help resolve these cases while educating consumers on how to protect their personal and

financial information from identity theft and fraud.

Book Publisher Imposter Scam

In a relatively new variation of an imposter scam, ASC received a report from a financial institution involving a client who was defrauded by an individual posing as a publishing industry representative. The victim was a writer who had published several books with smaller regional publishing companies. For his latest book idea, he connected with an individual who claimed to be a representative of a well-known publishing company. The imposter promised him an advance payment and residual payments on sales of his book. To solidify the deal, the scammer asked the victim to send a wire transfer of \$240,000 and encouraged him to keep the transaction confidential. Believing the offer was legitimate, the victim complied. A financial institution stopped the wire and reported the fraud to ASC.



This case highlights the evolving tactics used by fraudsters who increasingly target individuals through specialized scams tailored to their profession or interests. Consumers should remain cautious when approached with business opportunities. Verify the identities of the companies and individuals. Be wary of any request for upfront payments or secrecy.

Federal Trade Commission Impersonation Scam



ASC has received several reports of individuals receiving calls from scammers impersonating the Federal Trade Commission (FTC). A financial professional recently contacted ASC on behalf of a client who they believed was a victim of this impersonation scam. An individual claiming to work for the FTC reached out to the victim on the phone. The scammer told the victim that he was part of a criminal investigation, and he needed to secure his accounts. The scammer instructed the victim not to tell anyone and to send all the funds from his bank accounts through cryptocurrency and cash.

The scammer promised the victim that he would keep the funds safe and return them once the investigation was complete. The victim liquidated a bank account, totaling \$564,000. He also liquidated investment accounts, took out a second mortgage on the residence, and received a loan of \$50,000 to transfer to the scammer. ASC worked with the financial professional to prevent further losses and to establish protections going forward.

Think Before You Click!

One wrong move can put your data at risk. Follow these tips to avoid becoming a victim of fraud and identity theft.

Spot the Scams

New frauds enhanced by artificial intelligence allow criminals to impersonate and manipulate victims and create synthetic identity fraud. AI fraud also includes voice cloning. Fraudsters can produce realistic text messages, images, and videos for fraudulent purposes.

Be Device Smart

- Lock your screens
- Avoid public Wi-Fi for banking
- Update your apps and system

Protect Your Privacy

- Keep passwords strong
- Don't overshare online
- Turn off location access
- Always verify requests for information or money
- Don't open suspicious emails or click on unverified links

Resources

Alabama Securities Commission

- asc.alabama.gov
- Report investment fraud
- Report suspected financial exploitation of elders or protected individuals



AARP Fraud Watch Network Helpline

- 877-908-3360
- Report fraud or scams

Federal Trade Commission (FTC)

- www.ftc.gov
- Report fraud

Better Business Bureau

- bbb.org
- Report business fraud and scams
- Business scam tracker

Identity Theft

- www.identitytheft.gov
- Report identity theft
- Step-by-step recovery process