Investors Need to Beware of Con Artists Looking to Profit from the Coronavirus

(COLUMBUS, Ohio) — In light of the ongoing developments related to the current coronavirus (COVID-19) outbreak and its impact on financial markets, the Ohio Division of Securities reminds investors to beware of con artists seeking to capitalize on fear and uncertainty.

“We know con artists are opportunistic and exploit current events to give their schemes an air of legitimacy,” said Ohio Securities Commissioner Andrea Seidt. “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. Always ask if the salesperson and the security are registered with our Division.”

Seidt 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.”

“If you have concerns about your retirement accounts or investments, talk to your financial professional,” she said. “Don’t make decisions based on panic or fear.”

To help investors identify common telltale signs of possible investment fraud, the Division recommends consumers ask these three questions before making a new investment:

- Is the investment being offered with a guaranteed high return with little or no risk? All investments carry risk. No one can guarantee an investment return.
- Is there a sense of urgency or limited availability surrounding the investment? If the offer is legitimate, it will be there later. If someone offers you a “can’t miss” investment opportunity and puts you on the spot, don’t be afraid to walk away.
- 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.

“Make sure you have all the facts before you hand your money over to someone else to invest,” Seidt said.

Seidt encourages investors to contact the Division’s Investor Protection Hotline at 1-877-683-7841 with any questions about the investment professional they are working with or the product being offered.

# # #

The Division of Securities is part of the Ohio Department of Commerce. The department is Ohio’s chief regulatory agency, focused on promoting prosperity and protecting what matters most to Ohioans. We

Connect with us!

com.ohio.gov/secu
ensure businesses follow the laws that help them create jobs and keep Ohioans safe. To learn more about what we do, visit our website at com.ohio.gov.