



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

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DFI Reminds Investors to Beware of Con Artists Looking to Profit from Fear and Uncertainty Related to COVID-19

MADISON, Wis. – In light of the ongoing developments related to the current COVID-19 situation and its impact on financial markets, the Wisconsin Department of Financial Institutions (DFI) reminds Wisconsin investors to be wary of con artists seeking to capitalize on fear and uncertainty.

“We know con artists are opportunistic and use current events to cloak their schemes with an air of immediacy and legitimacy. Never make an investment decision without understanding exactly 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,” said DFI Secretary Kathy Blumenfeld. “Always ask if the salesperson and the security are registered with your state or provincial securities regulator.”

Blumenfeld also 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” or “guaranteed” investments. “If you have concerns about your retirement accounts or investments, talk to your financial professional,” said Blumenfeld. “Avoid making decisions based on panic or fear.”

To help investors identify common telltale signs of possible investment fraud, DFI provided three questions to ask before making a new investment.

First, is the investment being offered with a guaranteed high return with little or no risk? All investments carry the risk that you may potentially lose some or even all of your money. Anyone who says their investment offer has no risk is lying. No one can guarantee an investment return.

Second, 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.

Third, 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,” said Blumenfeld.

In addition, Blumenfeld also encourages investors to contact DFI with any questions about the investment professional they are working with or the product being offered at (608)-266-2139 and online via [BrokerCheck](https://brokercheck.finra.org/) at <https://brokercheck.finra.org/>.

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