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NDBF Urges Nebraskans to Beware of Con Artists Looking to Profit from Coronavirus Fear and Uncertainty

March 9, 2020 (LINCOLN, NEB.) — In light of the ongoing developments related to the current coronavirus (COVID-19) situation, and its impact on financial markets, the Nebraska Department of Banking and Finance (NDBF) is urging Nebraskans to beware 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 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 NDBF Deputy Director Claire McHenry. “Always ask if the salesperson and the security are registered with their state or provincial securities regulator.”

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

To help investors identify common telltale signs of possible investment fraud, NDBF has 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 risk that you may potentially lose some or 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, do not 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 would not 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,” Deputy Director McHenry said. Deputy Director McHenry also encourages investors to contact NDBF with any questions about the investment professional they are working with or the product being offered.

More information about the laws governing the securities industry in Nebraska can be found on NDBF’s website at ndbf.nebraska.gov. If you have questions about any investment matter, call NDBF’s Consumer Hotline toll free at (877) 471-3445 in Nebraska, or (402) 471-3445 if you are out of state.

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