October 29, 2014

FOR IMMEDIATE RELEASE
Contact: George Althoff, Communications Director, 608-261-4504

State agency cautions investors to beware of Ebola-related scams

MADISON – Following the outbreak of Ebola in western Africa and its appearance in North America, the Wisconsin Department of Financial Institutions (DFI) today cautioned investors to beware of opportunistic Internet-based investment schemes related to the disease.

“Past experience tells us that during periods of uncertainty or fear, con artists often times will attempt to make a quick score at the expense of investors,” said Patricia Struck, Administrator of DFI’s Division of Securities. “Investors should be very wary of any unsolicited Ebola-related investment opportunities, especially those received via the Internet.”

Struck said an analysis of Internet domain names by the North American Securities Administrators Association (NASAA), of which DFI is a member, found nearly 1,200 domains with “Ebola” in their name have been registered with top-level domains, such as .com, .net, .org since April. About 1,000 of those registrations have occurred since July, as awareness of the crisis spread. Of these sites, 184 were identified by NASAA’s Internet Fraud Investigations project group as suspicious.

Most of the domain names are “parked” and have no content, indicating that either someone has purchased the domain hoping to resell it, or the content is not ready yet, Struck said.

She reminded investors to use common sense when considering an investment opportunity.

“Promises of quick wealth generally are red flags signaling fraud ahead,” Struck said. She encouraged individuals to contact the Division of Securities to determine if both the promoter of the investment and the investment itself are licensed and registered. The Division of Securities can be reached by e-mail at DFIDLSecuritiesEnforcement@wisconsin.gov or by calling 608-266-1603.

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