



**State of Wisconsin**  
*Department of Financial Institutions*

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

**For Immediate Release:** September 1, 2020

**DFI Participates in Coordinated International Crackdown on COVID-19 Investment Scams**

MADISON, Wis. – The [Wisconsin Department of Financial Institutions \(DFI\)](#) today announced its participation in the COVID-19 Enforcement Task Force, an international investor protection initiative to crackdown on investment schemes related to the ongoing COVID-19 pandemic. The [North American Securities Administrators Association \(NASAA\)](#), of which DFI is a member, is coordinating the task force.

As part of this coordinated enforcement effort, DFI reviewed more than 100 domain names related to COVID-19 that targeted Wisconsin investors, opened three investigations, and issued one cease and desist order. With 111 investigators representing 44 jurisdictions in the United States, Canada, and Mexico, the COVID-19 Enforcement Task Force represents the largest coordinated enforcement initiative undertaken by state and provincial securities regulators. So far, the task force has disrupted more than 200 schemes related to the pandemic.

“Con artists follow the headlines and it is no surprise that COVID-19 cons are targeting investors in Wisconsin. Some of these investors are just seeking greater returns while others may have lost a job and are worried about market volatility and making ends meet. By participating in this task force, we are putting criminals on notice that DFI is taking swift and effective action to protect investors,” DFI Secretary Kathy Blumenfeld said.

Many of the schemes detected by the task force incorporate fear and anxiety into their pitches by promoting safe returns independent of the stock market and the economy. Others offer unrealistic and guaranteed high rates of return. Many promoters refer to returns as “passive income” or “cash flow” and promise to pay it on a monthly basis, which may appeal to unemployed retail investors or victims who are or may be negatively impacted by changes in the economy.

Common schemes also often exploit trendy assets such as cryptocurrencies or mysterious programs involving forex trading. “These types of products may sound appealing, but they also are the types of products unfamiliar to inexperienced retail investors,” DFI Secretary Blumenfeld said. There are several ways investors can protect themselves from fraud. For example:

- Make sure the person offering the investment, and the investment itself, are both properly licensed and registered. Check by contacting DFI’s Division of Securities at (608) 266-2139.
- Don’t fall for claims of guaranteed returns or unreasonably high rates of return because all investing involves risk, and no one can guarantee a return.
- Don’t be afraid to walk away if there a sense of urgency, limited availability, or lack of detailed information regarding an investment offering.

To report a suspected investment scheme or for more information on how to protect yourself from investment fraud, visit [www.wdfi.org](http://www.wdfi.org), or contact DFI’s Division of Securities at (608) 266-2139.

For more information on current scams, consumer laws and publications, and how to file a complaint, call the [Wisconsin Department of Agriculture, Trade and Consumer Protection \(DATCP\)](#) Consumer Protection Hotline toll-free at (800) 422-7128 or by email at [DATCPHotline@wisconsin.gov](mailto:DATCPHotline@wisconsin.gov).

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