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**NEWS RELEASE**

**For Immediate Release**

**April 22, 2021**

**Financial Literacy Tip of the Week**

**TOP INVESTOR THREATS FOR 2021**

**Boise, Idaho...** In recognition of Financial Literacy Month, the Idaho Department of Finance (“IDOF”) reminds investors to be on the lookout for investment schemes pitched through the internet and social media, particularly those involving precious metals, cryptocurrencies, promissory notes, and foreign exchange markets.

Schemes related to these products were identified as the top threats facing investors this year in a survey by the North American Securities Administrators Association (NASAA), of which the IDOF is a member. The survey includes responses of enforcement officials with state and provincial securities regulators throughout the United States, Canada and Mexico.

The survey found fraudulent internet- or social media-based frauds as the top threat to investors. Ranked second are cryptocurrency-related and precious metals-based investments, especially those purchased through self-directed individual retirement accounts, which lack the services and protection of traditional IRAs and can be fertile soil for scammers. Foreign exchange-related schemes rounded out the top three threats. In particular, enforcement officials expect to see a resurgence of high-yield foreign exchange and cryptocurrency-related schemes targeting investors this year disguised as membership or investment programs.

The NASAA survey also indicated that 82% of state and provincial securities regulators anticipate that bad actors will continue to attempt to leverage investor fear and anxiety related to changes in financial markets and the economy due to COVID-19 to illegally sell securities this year.

Investment offers that sound “too good to be true” often share similar characteristics. The most common telltale sign of an investment scam is an offer of guaranteed high returns with no risk. All investments carry the risk that some, or all, of the invested funds could be lost.

The IDOF recommends that investors should always ask if the salesperson and the investment itself are properly registered. This information can be confirmed by state and provincial securities regulators. Before making any financial decisions, ask questions, do your homework, and contact IDOF to verify the registration status of the investment and salesperson.

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