

# State Securities Regulators Renew Warnings of COVID-19 Investment Scams

April 17, 2020 | Blog |

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Several State Securities Regulators continue to warn investors of investment scams involving COVID-19. Many states have issued these notices to investor constituents in order to protect both their personal information as well as their financial information. In a new post by the Massachusetts Securities Division (MSD), they warn that the average investor is overwhelmed by the COVID-19 pandemic. The MSD particularly identifies “physical isolation, job uncertainty, financial strains and increased online engagement” as elements that make the average investor more susceptible to fraud, especially with their retirement savings.

The notice from the MSD warns that some schemes may “promote companies that can prevent, detect or cure COVID-19.” Additionally, many schemes are designed to “exploit investor panic” during the pandemic. They identify specific scenarios to be aware of, which include:

1. Claims made by companies related to the prevention, detection or cure of COVID-19;
2. Claims of high returns with little to no investment risk;
3. Claims of high returns in return for a small upfront investment; and
4. Any urgent investment pitch requiring an immediate investment decision.

The complete alert from the MSD can be found [here](#). State regulators also continue to warn investors to protect their personal information by making sure that their computers and electronic devices are updated with the most recent software, that their accounts have multi-factor identification in case the username and password are stolen, and be wary of opening any links included in emails, especially emails that arrive unsolicited. Similar notices, to name a few, have been published by [New York](#), [California](#), [Texas](#) and Florida.

These notices from the states convey one consistent message - the atmosphere created by the COVID-19 pandemic raises fears with the average investor, which is all the more reason to remain especially vigilant with your investments and your personal information at this time.

## Authors