

## **NEWS RELEASE**

### **For Immediate Release**

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### **Securities Division announces top investor threats for 2021**

SANTA FE – The Securities Division of the New Mexico Regulation and Licensing Department 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 Securities Division 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.

“Bad actors always try to leverage vulnerabilities wherever they can be found. We expect to see an uptick in complaints from investors lured into programs offering the promise of high returns as a way to supplement income lost as a result of the pandemic,” said Superintendent Linda M. Trujillo.

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. “Anyone who says their investment offer has no risk is not being honest,” Interim Director Benjamin Schroepe said. “Investing is a long-term proposition. Get-rich schemes are built on empty promises and empty pockets.”



Schrope recommends that investors should always ask if the salesperson and the investment itself are properly licensed or registered. This information can be confirmed by state and provincial securities regulators. “Working with a properly licensed investment professional affords investors certain legal protections,” he said. “Offering to sell an investment without a license is normally against the law.”

Before making any financial decisions, ask questions, do your homework and contact the Securities Division at 1-800-704-5533 for more information.

The New Mexico Regulation and Licensing Department regulates more than 500,000 individuals and businesses in 35 industries, professions and trades across the state. Its goal is to assure that New Mexicans receive quality services from qualified individuals and businesses while also ensuring fair and prompt administrative process.

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