

Watch for Investment Scams in Florence's Wake, Warns the Louisiana Office of Financial Institutions

(September 18, 2018) In the wake of widespread damage caused by Hurricane Florence, the Louisiana Office of Financial Institutions (OFI) today cautioned investors to watch out for opportunistic investment or charitable scams.

“Natural disasters bring out the best and worst in people. While news stemming from Hurricane Florence has rightfully focused on the tireless efforts of first responders and neighbors helping neighbors, we know from experience that financial predators are lurking like snakes in the water to seek profit from the misfortune of others,” said John Ducrest, Commissioner of the Louisiana Office of Financial Institutions. “Unsolicited investment offers seeking to capitalize on the aftermath of Hurricane Florence should be approached with extreme caution.”

Commissioner Ducrest reminds investors to watch for red flags of hurricane-related scams, including unsolicited email, social media messages, crowdfunding pitches or telephone calls promoting investment pools or bonds to help storm victims, water-removal or purification technologies, electricity-generating devices and distressed real estate remediation programs. He said scam artists may linger long after the storm has passed to prey on victims who anticipate receiving large lump-sum insurance settlements for damaged property and other losses.

Commissioner Ducrest also cautioned about fraudulent charitable solicitations that prey on the goodness of people seeking to help those in need.

“There will be fraudulent solicitations for charities in Florence's wake,” Commissioner Ducrest said. “Donors are reminded to do their research. As with any charitable contribution, those who want to contribute to relief efforts should send contributions to charitable organizations that are registered properly with state authorities and with an established track record of getting donations to victims.”

OFI offered three quick tips to help investors avoid disaster-related scams:

- Delete unsolicited emails or social media messages and hang up on aggressive cold callers promoting hurricane-related investments, especially those from small companies pushing unproven or new technologies or products.
- Use common sense. Claims of guaranteed returns or low/no investment risk are classic red flags. Every investment involves some degree of risk.
- Do your homework *before* investing. **Contact OFI toll-free at 1-877-516-3653 to verify that both the seller and the investment are properly licensed and registered in Louisiana.** If not, they may be operating illegally.

For more investor protection resources, visit the INVESTOR EDUCATION section of OFI's website at www.ofi.la.gov/SecuritiesInvestorEd.htm.