

Zika Virus & Disease-Related Investment Scams | Attorney General



In 2013 the news was inundated with cautions and concerns about Middle East Respiratory Syndrome, or MERS. In 2014 and 2015, it was Ebola. Now, we are being informed of the looming threat of the Zika Virus, currently spreading through parts of South America. These reports can be scary in and of themselves, but there is a less advertised, more insidious threat that looms beneath the surface when the news headlines focus on potential health epidemics. That is the financial threat that arises when fraudsters exploit news of a disease in order to make money off fake stock scams and [“pump and dump” schemes](#).

Often through the use of aggressive solicitations and advertising, these con men will sell or promote shares in a company that has supposedly created a new cure, vaccine, or treatment of a headline-grabbing health event. They will “pump” up the stocks, creating high demand and high prices. It’s easy to convince people that an investment that answers to a public crisis will be a safe bet. However, after the company has made a ton of money off other people’s investments, they then “dump” their own shares, selling the stocks off for a high price before unwitting victims realize it was all a farce.

Unfortunately, with most of these scams, once the money has changed hands, it’s gone for good and there is very little regulators or law enforcement can do to recoup losses for victims.

In order to avoid becoming the victim of one such scam, be sure to do the following before handing over any of your hard earned money:

1. Question: Think critically about any offer before you hand over money. For example, how did you hear about the opportunity? Was it through a cold call or unsolicited method? What is being promised? If high returns with little risk are mentioned, does this sound too good to be true? Are you feeling pressured to make a decision quickly? These are all red flags of a potential scam.

2. Research: It's not enough to just question an offer - you have to follow it up with some research. By visiting www.brokercheck.org or www.investor.gov you can look up someone who is recommending or selling an investment to make sure that he or she is properly licensed to do so. If they're not licensed, you shouldn't be turning over your money to them. Even just a simple internet search will often turn up telling information about a company or salesperson if they are operating illegally or have been in trouble with regulators before.
3. Report: Finally, if you find that something isn't right about an investment offer, please let someone know. You can file a report with the [Colorado Division of Securities](#) or with the [Colorado Attorney General's Office](#).

Remember, while businesses that seemingly provide a solution or service for headline-grabbing issues seem like they can't fail to be lucrative, it is these "can't miss" opportunities that are often the riskiest.

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