



## **SCAM ALERT:**

### *Beware Cryptocurrency Scams*

As one of the hottest investments on the market, cryptocurrency has been enjoying the spotlight for quite a while, and scammers are eager to cash in on the excitement.

Cryptocurrency scams are particularly nefarious since the digital currency is not regulated by any government, and once it has transferred hands it usually cannot be reclaimed. Here's what you need to know about cryptocurrency scams and how to avoid them.

#### ***How the scams play out***

There are several ways scammers are using cryptocurrency to con people out of their money.

- **Blackmail.** In this ruse, scammers send emails to their targets claiming they have compromising photos, videos, or embarrassing information about them. They threaten to go public with these unless the victim pays up in cryptocurrency. Of course, the scammer is lying about the materials they possess and this is illegal blackmail and extortion.
- **Social media.** Here, a target receives a social media message appearing to be from a friend and asking them to send cryptocurrency immediately to help them out of an alleged emergency. If the target complies and sends cryptocurrency to their "friend," they'll never see that money again.
- **Mining.** In this scam, bogus websites lure targets into what appear to be opportunities for mining or investing in cryptocurrency. The site may even offer several investment tiers, promising bigger returns for a more significant investment. Unfortunately, any money invested through these sites can never be withdrawn.

- **Giveaways.** These “giveaways” appear to be sponsored by celebrities or big-name cryptocurrency investors, like Elon Musk. Victims are promised exponential returns for small investments in cryptocurrency, or for simply sharing some personal information. Of course, none of it is real, except the loss you’ll experience if you fall victim.
- **Romance.** Through online dating sites, scammers convince victims they have met a legitimate love interest. As the “relationship” deepens, the victim’s long-distance date starts talking about fabulous cryptocurrency opportunities with incredible returns. The victim acts upon this advice, and sadly, loses their money to the person they believed was a new romantic partner.

In each of these scams, the victim has no way of recovering the cryptocurrency they shared if an “investment” has been made. Scammers also use common spoofing technology to make it appear as if they represent a legitimate business or website. As always, when in doubt, opt-out.

### ***How to spot a cryptocurrency scam***

Look out for these red flags to help you avoid cryptocurrency scams:

- You’re promised big payouts with guaranteed returns for a small investment in a specific cryptocurrency.
- A celebrity or famed cryptocurrency investor is sponsoring a cryptocurrency giveaway.
- A friend contacts you on social media, claiming they are caught up in an emergency and need immediate rescue, but only through cryptocurrency.
- You’re promised free money in cryptocurrency in exchange for sharing some personal information.
- A caller, new love interest, organization, or alleged government agency insists on payment via cryptocurrency.

Be sure to follow common safety measures when online and never share personal information or money with an unverified contact. If you are unsure whether you’ve actually been contacted by a friend or an authentic business, reach out to them to learn the real deal. Finally, if you’re looking to invest in cryptocurrency, never click on an ad or email; look up secure investment sites like [Robinhood](#) and [Coinbase](#) on your own.

### ***If you’ve been targeted***

If you believe you’ve been targeted by any of the above cryptocurrency scams or a similar scheme, immediately report the scam to the [FTC](#). If the scam was pulled off on social media, let the platform owners know so they can take appropriate measures. Finally, let your friends and family know about the circulating scam.

Cryptocurrency offers unique opportunities for beginner and experienced investors alike, but scammers are exploiting digital currency for their own schemes. Proceed with caution to keep your money and your information safe.