



PANDEMIC PROFITTING: COVID CON CRACKDOWN

NASAA COVID-19 Enforcement Task Force

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION



SPEAKERS

CHRISTOPHER GEROLD

NASAA President
New Jersey Securities Bureau Chief

JOSEPH BORG

NASAA Enforcement Section Chair
Alabama Securities Commission Director

JOSEPH ROTUNDA

NASAA Enforcement Section Vice Chair
Director of Enforcement, Texas State Securities Board

JAKE VAN DER LAAN

NASAA Enforcement Technology Project Group Chair
CIO, New Brunswick Financial and Consumer Services Commission

JAMES McDOWELL

NASAA Enforcement Technology Project Group Member
Chief of Cyber Operations, Alabama Securities Commission

OBJECTIVES



Detect



Disrupt



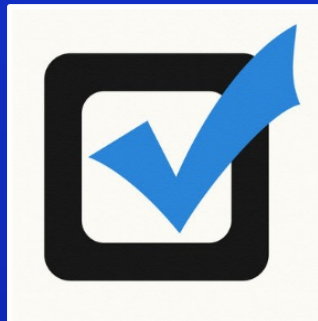
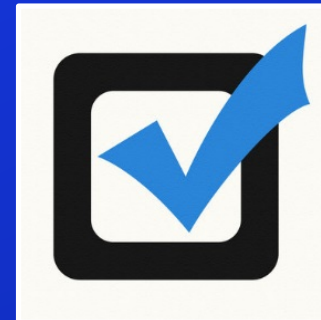
Deter

RESULTS



**111 investigators from
44 Jurisdictions in the
United States, Canada
and Mexico**

**Schemes Found:
244**



**Actions Taken:
220**

RESULTS

DETECT

244 SCHEMES DETECTED

- INVESTMENT SCHEMES DETECTED: 154
- NON-INVESTMENT SCHEMES DETECTED: 90

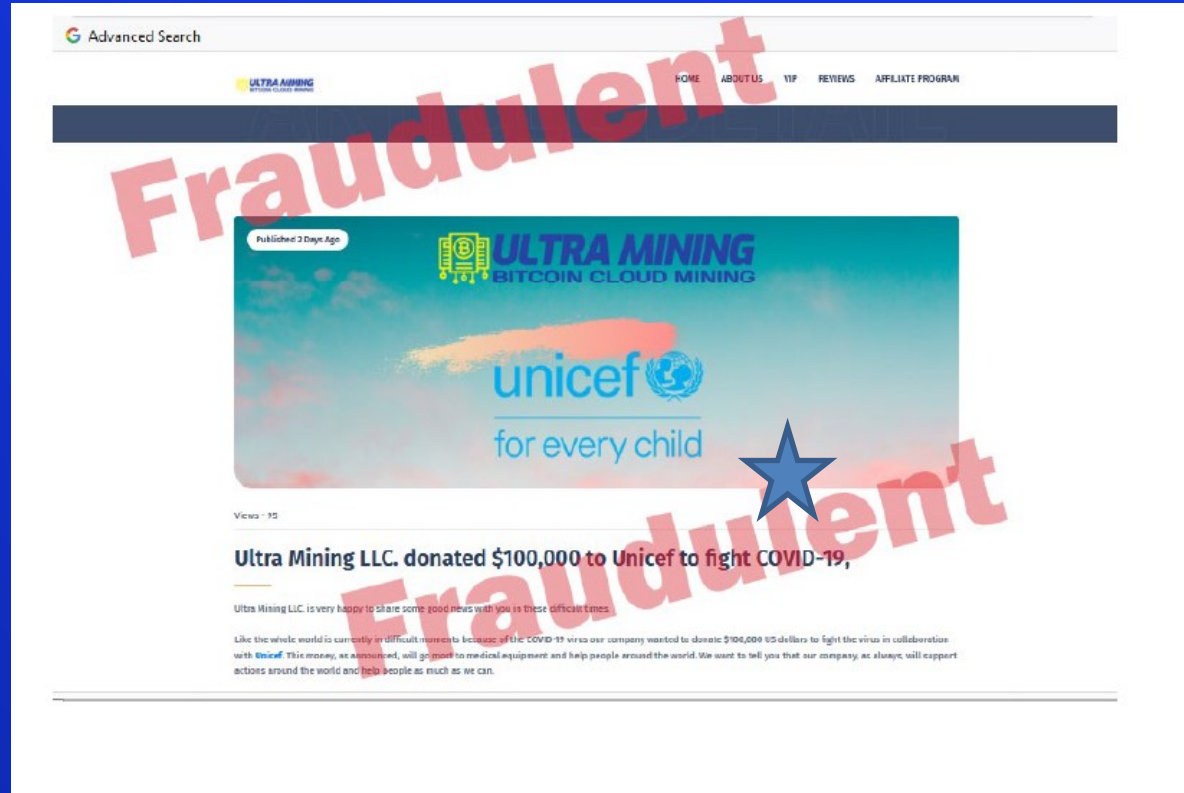
RESULTS

DISRUPT & DETER

220 ACTIONS TAKEN

• ADMINISTRATIVE ACTIONS	5
• CEASE AND DESIST ORDERS	22
• INFORMATION DEMANDS	2
• CONSUMER ALERTS	30
• CAUTION LETTERS	12
• UNDERTAKINGS OBTAINED	1
• REFERRALS TO OTHER REGULATORS:	15
• REFERRALS OF NON-INVESTMENT SCHEMES TO OTHER REGULATORS:	97
• REFERRALS TO NON-REGULATOR THIRD PARTIES FOR ACTION (HOSTING, SOCIAL MEDIA COMPANIES):	26

CASE EXAMPLE: Ultra BTC Mining



- Detected by the Alabama Securities Commission and Texas State Securities Board.
- Cryptocurrency cloud mining plans.
- Purported returns in excess of 105% per year.

CASE EXAMPLE: Highgoldminings



The screenshot shows the Highgoldminings website. At the top, there's a navigation bar with links like HOME, ABOUT US, AFFILIATE, REPRESENTATIVE, BANNERS, RATE US, FAQ, NEWS, and SUPPORT. A 'WELCOME TO HIGHGOLDMININGS.COM!' banner features a laptop displaying a trading chart and text about a 'Secured Investment Project'. Below this, there are three green buttons: 'GARANTED PROFIT', 'EASY TO DEPOSIT', and 'INSTANT WITHDRAW'. A 'GET STARTED' button is also present. The main content area includes a 'WELCOME TO HIGHGOLDMININGS.COM!' section with a description of the company and a list of services: 'What we think!', 'Our team', and 'E-Currency Trade'. To the right is a video player showing a woman with a blue star over her face. Below this is an 'INVESTMENT PLANS' section with a table of plans and a video testimonial at the bottom.

- Detected by the British Columbia Securities Commission.
- Purported FINRA registered company with a Vancouver address.
- Offered investment plans with **unreasonably high rates of return** and purported to have “a team of professional traders **in forex and cryptocurrency trading** who know how to grab the profit end of day.”

Screenshot courtesy of the British Columbia Securities Commission

CASE EXAMPLE: Highgoldminings



The screenshot shows the homepage of Highgoldminings.com. At the top, there is a navigation bar with links for HOME, ABOUT US, AFFILIATE, REPRESENTATIVE, BANNERS, RATE US, FAQ, NEWS, and SUPPORT. A 'Select Language' dropdown menu is also present. Below the navigation bar, a large banner features a laptop displaying a financial chart and the text 'WELCOME TO HIGHGOLDMININGS.COM !'. The banner also includes the tagline 'A Secured Investment Project , Designed Specially For People Who Wants To Get Reliable & Profitable Source Of Real Net Income.' and three icons: 'GARANTED PROFIT', 'EASY TO DEPOSIT', and 'INSTANT WITHDRAW'. A 'GET STARTED' button is located below these icons. To the right of the banner, there is a 'Chat with us' button. Below the banner, a section titled 'WELCOME TO HIGHGOLDMININGS.COM !' contains a paragraph of text and a list of services: 'What we think I', 'Our team', and 'E-Currency Trade'. To the right of this text is a photo of a woman with curly hair, with a blue star obscuring her face. Below this section, there is a table titled 'INVESTMENT PLANS' with four columns. Each column contains a plan name, a description, and a table of investment details. The plans are: '113% AFTER 17 HOURS', '120% DAILY For 34 HOURS', '155% AFTER 49 HOURS', and '190% DAILY For 55 HOURS'. Each plan has an 'INVEST NOW' button. To the right of the table is a 'PLAN 1 (NOVICE Stage) : 113%' section with a form to enter an amount and a table showing 'Net Profit' and 'Total Return'. At the bottom of the page, there is a video player showing a man speaking, with the text 'of reasons, One - and the biggest of them all - is' and 'Made With VivaVideo'.

Plan Name	Description	Min.	Max.	Principle	Total Return
113% AFTER 17 HOURS		\$10	\$300	Included	113%
120% DAILY For 34 HOURS		\$100	\$750	Included	220%
155% AFTER 49 HOURS		\$180	\$5000	Included	355%
190% DAILY For 55 HOURS		\$2000	\$50,000	Included	490%

PLAN 1 (NOVICE Stage) : 113%
Enter Amount
100
Net Profit
\$13.00
Total Return
\$113.00

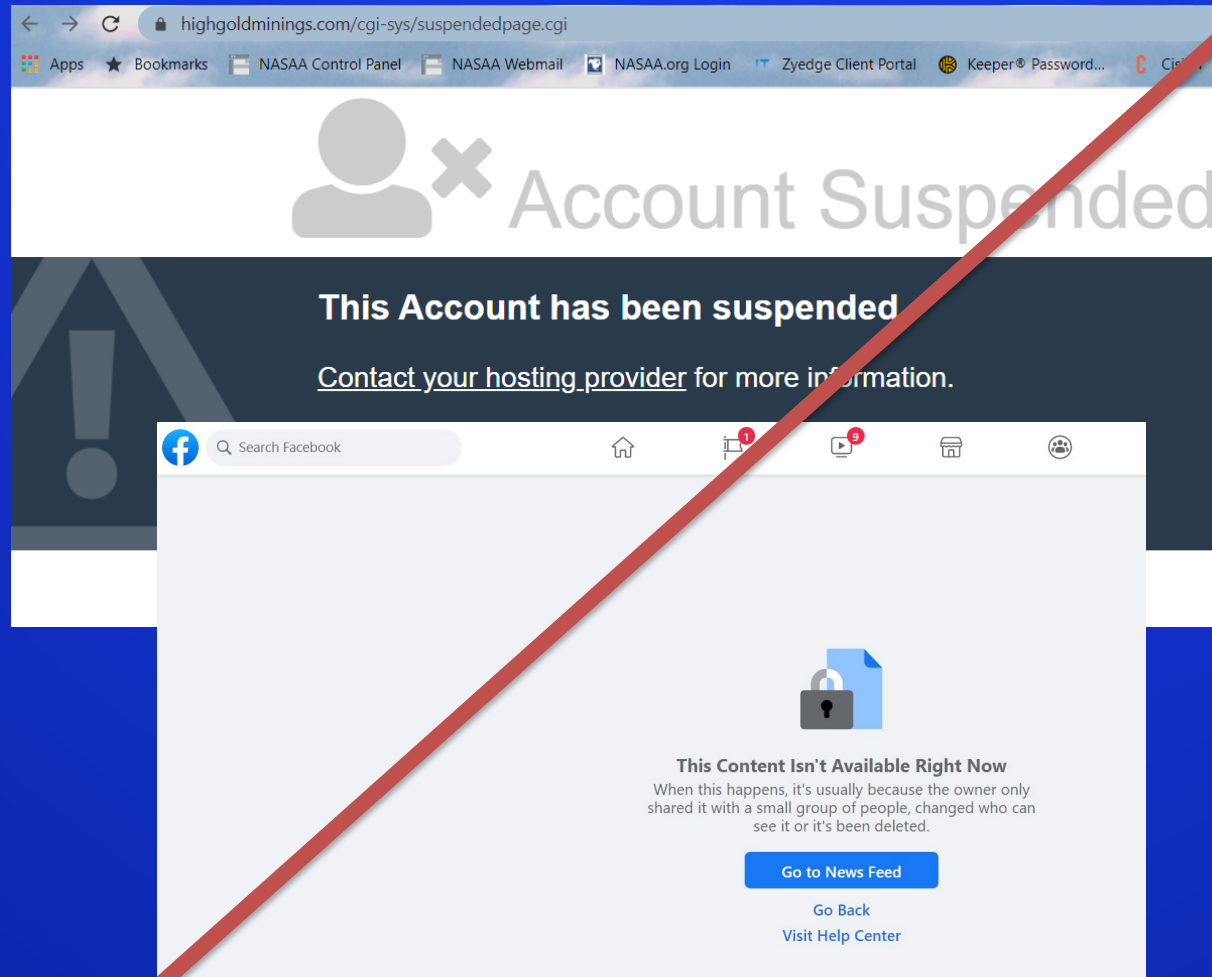
FINRA confirmed the FINRA registration number listed on the website does not exist.

BCSC and FINRA independent investigations determined:

- No business at the listed address.
- The website photo of purported CEO “Naomi Nemeth” is that of a 19-year-old intern at a Netherlands public relations firm.

Screenshot courtesy of the British Columbia Securities Commission

CASE EXAMPLE: Highgoldminings



DISRUPTED:

- BCSC added Highgoldminings to its publicly available Caution List.
- Sent warning letter to Highgoldminings.
- Requested website domain registration suspension.
- Requested Facebook remove Highgoldminings page.

How are Schemes Reaching Investors?

Mostly through the internet:

- Social Media
- Suspicious Websites
- Online advertising platforms/message boards

How are Schemes Reaching Investors?

Approximately 40 problematic posts identified by task force members have been removed by social media platforms at the request of task force members.



Screenshots courtesy of the British Columbia Securities Commission

INSIDE THE INVESTIGATIONS

- Many fraudulent offerings share common characteristics:
 - Prey on fear and anxiety;
 - Promote safety amid uncertainty;
 - Involve cryptocurrencies or cryptocurrency-related investment products, foreign exchange (forex); products unfamiliar to inexperienced retail investors.
 - Refer to returns as “passive income” or “cash flow” promising monthly payments to appeal to cash-strapped investors.

CASE EXAMPLE: “Profit off the Coronavirus with Forex”

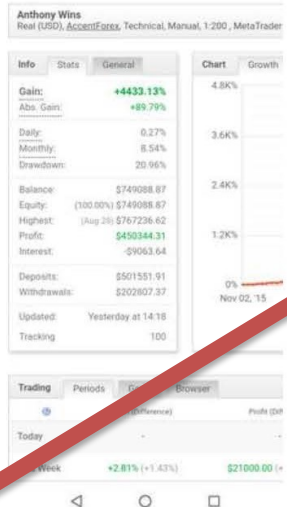
CL dallas > dallas > for sale > business/commercial - by dealer

reply below favorite hide flag

Posted 2020-03-17 18:47

STOCK MARKET IS CRUMBLING, PROFIT OFF THE CORONAVIRUS WITH FOREX

condition: new



Anthony Wins
Real (USD), AccountForex, Technical, Manual, 1:200, MetaTrader

Info	Stats	General	Chart	Growth
Gain:		+4433.13%		4.8K%
Abs. Gain:		+89.79%		
Daily:		0.27%		3.6K%
Monthly:		8.54%		
Drawdown:		20.96%		2.4K%
Balance:		\$749088.87		
Equity:	(100.00%)	\$749088.87		
Highest:	(Aug 26)	\$767236.62		
Profit:		\$450344.31		1.2K%
Interest:		-\$9063.64		
Deposits:		\$501551.91		0%
Withdrawals:		\$202807.37		
Updated:		Yesterday at 14:18		
Tracking:		100		

Trading Periods Browser

Today: -

Week: +2.81% (+1.43%) \$21000.00 (+)

Nov 02, 15

HI interwork. My name is Anthony but everyone I work with calls me Tony. I've been a trader for over six years and in that time it has brought me much success. Being a forex trader gives me a lot of extra time at home and i have decided to reach out and help those who want to enter the market world and make the money they deserve. A small investment of 200 can be a return of 600 a week for doing little work. I've lived all over the country thanks to the freedom that this market has given me. I feel it's literally a network of money moving and being made. I love sharing even a little of this freedom and love the feeling of changing someone's life like it has for me. Financial freedom is something that can be learned. You don't have to be born with rich habits.

- Detected and disrupted by the Texas State Securities Board.
- Craigslist ad encourages investors to put “stimulus/covid check to work for you NOW.”
- Part of a fraudulent international **cryptocurrency, forex multilevel marketing** scheme.
- Emergency order filed to stop the offer.

“Don’t Miss Out on this Once-in-a-Decade Opportunity”



Screenshots courtesy of the Texas State Securities Board

- Detected and disrupted by task force members.
- Fraudulent Craigslist ads for:
 - Daytrading
 - Business Grants
 - Get Rich Quick Deals
- “Need money now just ask me how”
- “Help you make money”
- “Hey text me today on more info to get 3k in your account today”

CASE EXAMPLE: Mirror Trading

CL dallas > dallas > services > financial services

◀ prev ▲ next ▶

reply favorite hide flag

Posted about 17 hours ago

Grow your stimulus/covid with us

image 4 of 4



MIRROR TRADING INTERNATIONAL		
02 JUNE 2020		
DAILY TRADING INCOME		
Member	40%	0.4962%
Binary	20%	0.2481%
P1/P2 LB	5%	0.0620%
Traders	25%	0.3101%
MTI	10%	0.1241%
TOTAL 1.2406%		

We are a TEAM. Remember this everyone..
Together...Everyone...Achieves...More...

MTI is an investor club with the option to refer members.

You buy BITCOIN and put that bitcoin into a trading pool with 55,000 other investors. That coin is used as a currency to make 600+ FOREX trades daily with an AI BOT that grows your bitcoin compounding daily earning an average of 10% per month!

1 Bitcoin Grows To 3.7 Bitcoins In 1 Year!

The price of Bitcoin can also go up!

The OPTIONAL part is if you refer friends and family. If you refer a friend, MTI gives you 10% of what they invest. You also get profit sharing from those people you refer.

- Detected and disrupted by the Texas State Securities Board.
- Craigslist ad invites investors to profit off the coronavirus by buying **Bitcoin** and pooling funds with other investors to make 600 **forex** trades daily to earn an average of 10% monthly.
- *"Grow your stimulus/covid with us"*
- Emergency order filed to stop the offer.

Screenshot courtesy of the Texas State Securities Board



**FOR MORE INFORMATION AND TO
LEARN HOW TO PROTECT YOURSELF
AND YOUR MONEY FROM PANDEMIC
PROFITEERS:**

**CONTACT YOUR STATE OR PROVINCIAL
SECURITIES REGULATOR**

Visit www.nasaa.org for contact information

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION