

For Immediate Release

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Canadian securities regulators warn public of coronavirus-related investment scams

Calgary – The Canadian Securities Administrators (CSA) is warning investors about companies claiming to have products or services that will prevent, detect or cure coronavirus (COVID-19) infection.

Fraudsters take advantage of global events and breaking news to lure potential investors with the expectations of significant returns. A common way they do this is through pump-and-dump schemes involving publicly traded small “shell” companies.

What Canadians need to know about pump-and-dump schemes:

- These fraudulent penny stock companies may have limited or untrue publicly available information about the management team, their products or services, and their finances.
- Fraudsters spread positive, but false, information that lures investors to purchase the stock. The false information may spread, for example, through hyped-up news releases, social media or paid promotional campaigns through other individuals, companies or websites. The more investors that purchase the stock, the more inflated or “pumped up” the price of the stock becomes.
- Fraudsters then quickly “dump” their stock before the hype ends, resulting in a substantial payout for them. The stock price then drops and the remaining investors lose their money.

At this time, there is **no vaccine** or any natural health product that is authorized to treat or protect against COVID-19. Be cautious of any claims that a company has a solution to help stop the coronavirus outbreak. Reliable information relating to COVID-19 is available from the [World Health Organization](#) and [the Government of Canada](#).

When investing in any company, carefully research the investment and keep in mind that fraudsters often exploit the latest crisis. If you believe that you or someone you know has been offered a fraudulent opportunity related to the coronavirus, please contact your provincial or territorial [securities regulator](#).

The CSA is also aware of instances where Canadians are targeted by scam artists using fear around the current economic conditions to attempt to steal the investor’s money. Investors contacted by anyone with warnings about their investments or finances should never give out any personal information, and contact their investment adviser or bank separately after independently verifying the phone number to ensure the caller is legitimate.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

For investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).

For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at media@acvm-csa.ca.

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