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WATCH FOR SCAMS AFTER NEBRASKA FLOODING

March 21, 2019 (LINCOLN, NEB.) □ In the aftermath of widespread damage from the recent flooding throughout Nebraska, the Nebraska Department of Banking and Finance (NDBF) cautioned investors to watch out for opportunistic investment scams.

“Nebraskans have big hearts and are looking for ways to help out communities and neighbors impacted by flooding. However, we know from experience that financial predators are out there trying to seek profit from the misfortune of others,” said NDBF Director Mark Quandahl. “Unsolicited investment offers seeking to capitalize on the aftermath of the flooding should be approached with extreme caution.”

NDBF Deputy Director Claire McHenry reminded investors to watch for red flags of disaster-related scams, including unsolicited email, social media messages, crowdfunding pitches or telephone calls promoting investment pools or bonds to help flood victims, water-removal or purification technologies, electricity-generating devices and distressed real estate remediation programs. She said that scam artists may linger long after the flood waters have receded to prey on victims who anticipate receiving large lump-sum insurance settlements for damaged property and other losses.

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

- Delete unsolicited emails or social media messages and hang up on aggressive cold callers promoting flood-related investments, especially those from small companies touting 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. Contact NDBF to check that both the seller and investment are licensed and registered. If not, they may be operating illegally. Contact information for other state securities regulators is available on www.nasaa.org.

More information about the laws governing the securities industry in Nebraska can be found on NDBF's website at ndbf.nebraska.gov. If you have questions about any investment matter, call NDBF's Consumer Hotline toll free at (877) 471-3445 in Nebraska, or (402) 471-3445 if you are out of state.

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