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DFR Warns Vermonters About Risks of Cryptocurrencies and Scams

Press Release

For Immediate Release:

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Montpelier, VT (August 18, 2021) — Today, Department of Financial Regulation (DFR) Commissioner Michael Pieciak urges Vermont investors to use caution when using and investing in cryptocurrencies.

On a daily basis there are national news stories about scams, unlicensed activity, and unregistered cryptocurrencies. DFR is reporting a spike in cryptocurrency-related scams. Recently, five Vermonters reported losing over \$1 million to cryptocurrency scams.

It is important to note that cryptocurrencies - digital assets that take the form of a virtual coin or token - are a novel and unique product and should be approached with care. DFR urges Vermonters to carefully assess the risks associated with cryptocurrencies and cryptocurrency-related investments.

“While innovations in financial services can bring important benefits to consumers, Vermonters should approach these products with real caution, particularly when considering substantial investments,” said Commissioner Michael Pieciak. “Cryptocurrencies are volatile and carry unusual risks because they exist largely outside the safeguards of the traditional financial system.”

We urge investing Vermonters to:

- Learn about the uptick in cryptocurrency related fraud and scams;
- Avoid unlicensed cryptocurrency exchanges;
- Avoid unregistered cryptocurrency securities and cryptocurrency-related investments, including cryptocurrency interest accounts; and
- Understand the risks of cryptocurrency investing, including its extreme volatility, risk of loss, and unsuitability for main street investors.

Before making any financial decisions, ask questions and do your homework. [DFR published an Investor Alert](#) today to help Vermont investors to become more familiar with the risks of cryptocurrency.

If you feel like you have been scammed or have a complaint contact the DFR [online](#) or by calling 833-DFR-HOTLINE.

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