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CONSUMER ALERT: CRYPTOCURRENCY PYRAMID SCHEME

Nashville- The Division of Consumer Affairs (DCA) within the Office of the Tennessee Attorney General is fielding complaints about recruitment schemes offered by various Bitcoin websites.

The complaints coincide with an uptick in companies claiming to use artificial intelligence and Bitcoin to maximize returns on investment. These companies offer money for every additional investor you recruit.

DCA urges Tennesseans to conduct thorough research before selecting an investment company.

BEFORE INVESTING:

- Steer clear of investment companies that compensate you based on bringing others into the company. This is a pyramid scheme. Pyramid distribution schemes rely on recruiting new members. Because of this, a pyramid distributorship is doomed to fail, leaving you without your investment.
- Investing in Bitcoin and artificial intelligence has risks like any other investment vehicle and is highly volatile. Everyone cannot “win” and a company cannot guarantee returns in these investments.
- Be aware that cryptocurrencies and related products are not functional equivalents of traditional banking, securities, or insurance investment products. Cryptocurrency markets are highly volatile, making them unsuitable for most investors looking to meet long-term savings or retirement goals. If do you choose to invest in a cryptocurrency or related product, it’s important to note that the value of the product can increase or decrease just like any other investment, and you should also be prepared to lose the entire amount of your investment.
- Before making any financial decisions, talk to a financial adviser and/or thoroughly do your research. You may also contact the [Tennessee Securities Division](#), your state’s securities regulator.





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REPORTING COMPLAINTS:

- If you feel you've been treated unfairly by a company, file a complaint with the Tennessee Division of Consumer Affairs at tn.gov/consumer.
- Pyramid distributorship schemes can also be reported to the [Federal Trade Commission](http://www.ftc.gov).
- For questions concerning an investment type or to file a complaint regarding fraudulent investment activity, please visit tn.gov/securities.

For more information, access the corresponding episode of *Making the Case*:
<https://www.buzzsprout.com/1742087/9241896>

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