



# ***NEWS RELEASE***

**OFFICE OF ATTORNEY GENERAL HENRY McMASTER**  
STATE OF SOUTH CAROLINA

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## **McMaster Warns Investors to Beware of Phony Regulators**

**Columbia, S.C.** – Attorney General McMaster warned investors today that several fake “regulators” have been brought to the attention of the office’s Securities Division. These “regulators” claim to be based in the United States and often target overseas investors.

“Our securities markets are known around the world for being among the safest and fairest, in many ways due to the rigorous and efficient regulatory systems in place here. Con artists are trying to cash in on our good name abroad to lure unsuspecting investors into risky penny stocks and advance fee schemes,” Attorney General McMaster said.

Attorney General McMaster identified a number of imitation “regulators,” including: the Regulatory Compliance Commission, the International Regulatory Commission, the International Compliance Commission, the International Shareholder Protection Division and the International Exchange Regulatory Commission. Each of these entities have websites and listed addresses and telephone numbers in the United States and none have any relation to real regulatory agencies or organizations.

“Some of these websites may look very legitimate but all successful scams do, at first. These websites offer nothing more than fancy window-dressing to lure investors into buying worthless securities from unlicensed stockbrokers,” McMaster said, adding that these brokers and their offers are often “verified” by the phony regulators.

Attorney General McMaster said investors lose billions of dollars a year to securities fraud and warned, “There are probably many more fake regulators with websites and shell offices like these. The Internet is a big place, making it difficult to police, and sometimes dangerous for investors.” Examples of illegal “regulator” websites can be viewed at:

[http://www.scattorneygeneral.com/newsroom/pdf/fake\\_regulator\\_sites.pdf](http://www.scattorneygeneral.com/newsroom/pdf/fake_regulator_sites.pdf).

To help investors determine if they are dealing with a bogus regulator, Attorney General McMaster advised to look out for the following warning signs:



*Top 5 Signs That You Are Dealing With A Fake Regulator:*

- 1. You cannot find references to them on any other regulatory websites.** If you can't find information about the "regulator" on the site of the International Organization of Securities Commissions, [www.iosco.org](http://www.iosco.org), they probably are not a legitimate regulator.
- 2. They endorse or approve any investment opportunity, stock, or company.** Legitimate regulators are not in the business of promoting any deal, only enforcing securities laws and ensuring fair dealing.
- 3. They say that paying a fee to "release restricted shares" is anything other than an attempt to steal your savings.** This is a common ploy, and a recent twist on age-old advance fee schemes.
- 4. Little or no information about the "regulator" appears in Internet search engines.** Any legitimate regulator should generate hundreds of entries in any Internet search engine.
- 5. If you talk to other regulators, and they say they have "never heard of them,"** you are most likely dealing with a fake regulator.

**More Information Online:**

[www.scattorneygeneral.com](http://www.scattorneygeneral.com)

[www.iosco.org](http://www.iosco.org)

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