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Alaskans Cautioned About Foreign Currency Investment Schemes

July 28, 2015 ANCHORAGE – The Alaska Division of Banking and Securities cautions Alaskans about scams involving the sale of non-traditional currencies such as the Iraqi dinar, Vietnamese dong, Indonesian rupiah, and Afghan afghani. Non-traditional currencies are those not offered on traditional exchange platforms such as the foreign exchange market (FOREX).

“Purchases and sales of foreign currency are highly risky and speculative investments. Non-traditional foreign currencies are considered to be extremely risky and require even greater levels of vigilance,” said Kevin Anselm, director of the Division of Banking and Securities. Director Anselm recommends Alaskans exercise caution when contemplating any investment, particularly exotic-sounding, high-yield opportunities.

Scams involving the sale of foreign currency are not new but have come under increased scrutiny by the FBI and other law enforcement in recent years. The FBI warns of dealers touting their ability to predict increases in foreign currency values, often referred to as *revaluations*. Regardless of potential revaluations, many foreign currencies can only be redeemed in their home country. Because most established currency exchange and banking institutions cannot convert the currencies to US dollars, the dealers are able to sell and buy foreign currencies at whatever price they choose.

Many foreign currency investment schemes guarantee investors huge returns over a short time, with little or no risk. The dealers claim to have connections with high-level officials in the government or the financial industry who are providing them with this insider knowledge. Director Anselm reminds Alaskans to be suspect of anyone who promises an investment will perform in a predictable way. If you have been told that you will make enormous profits from the purchase of the Iraqi dinar, Vietnamese dong, Indonesian rupiah, or other non-traditional foreign currency, the FBI encourages you to complete a victim questionnaire at <https://forms.fbi.gov/iraqi-dinar-investment-investigation>

For more information concerning the risks associated with the sales of foreign currency, contact the Division of Banking and Securities at (907)269-8140 or send an email to dbsc@alaska.gov. The Division of Banking and Securities, along with the Division of Corporations, Business and Professional Licensing, the Division of Insurance, the Alcoholic Beverage Control Board, and the Regulatory Commission of Alaska, is tasked with protecting consumers in Alaska. For information about the division, please visit commerce.alaska.gov/web/dbs/. For additional information about the Department of Commerce, Community and Economic Development and its other agencies, please visit commerce.alaska.gov.

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