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State Issues Warning About Investment Schemes Circulating on Social Media

HONOLULU — The state Department of Commerce and Consumer Affairs’ (DCCA) Office of the Securities Commissioner is warning the public about investment schemes that are circulating on popular social media platforms such as Facebook, Instagram and Twitter.

Amidst ongoing stay-at-home orders due to the COVID-19 pandemic, many turn to social media to stay connected. While there are many benefits of using social media, it’s important to remember that scammers too, will try to benefit from the increased usage.

Social media connections can provide scammers with the opportunity to reach large numbers of potential investors and make quick money. The schemes being perpetrated are simply old scams wrapped in a new package. Often times, the underlying scam is a Ponzi or Pyramid Scheme.

“Our Securities Enforcement Branch has been receiving inquiries statewide about a so-called opportunity called the “Loom” or “Octagon Game” that has been circulating on various social media sites,” said Hawaii Securities Commissioner Ty Nohara. “Our Enforcement Branch is investigating the matter and urges caution before participating in any investment on social media.”

If you have been solicited, or if you have any information regarding the “Loom”, “Octagon Game” or other pyramid scheme and/or its promoters, contact the Securities
Enforcement Branch at (808) 586-2740, toll free at 1-877-HI-SCAMS, or email: seb@dcca.hawaii.gov. Please leave a message and someone will get back to you as soon as possible.

For more information, including fraud prevention tips, visit our website at https://cca.hawaii.gov/sec/iep/.

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Media Contact:
William Nhieu
Communications Officer
Department of Commerce and Consumer Affairs
wnhieu@dcca.hawaii.gov
Phone: (808) 586-7582 • Cell: (808) 389-2788
http://cca.hawaii.gov