



Arkansas Securities Department

NASAA Highlights

Top Investor Threats for 2025

NASAA HIGHLIGHTS TOP INVESTOR THREATS FOR 2025

Digital assets and social media schemes are most prevalent

WASHINGTON, D.C. (March 6, 2025) - The North American Securities Administrators Association (NASAA) today released its annual list of top threats to retail investors. This year, the most critical threats include financial scams tied to digital assets and cryptocurrency, social media apps, and marketing tactics designed to play on emotions. NASAA developed the list by surveying state and provincial securities regulators in the United States and Canada.

NASAA's survey of state and provincial securities regulators show that NASAA members are spending the most time on investigations involving likely scams targeting investors through platforms traditionally used by North Americans, such as Facebook and X (31.7%), and text- and voice-based communication platforms, such as Telegram and WhatsApp (31.3%). Scammers are also commonly using platforms for long-form video content such as YouTube and Vimeo (14.1%) and short-form video content like TikTok and Instagram Reels (19.0%) to reach victims.

The potential to use artificial intelligence to harm investors has regulators worried. State securities regulators expect an uptick in 2025 of bad actors using AI to generate professional graphics, videos and content that create a sense of legitimacy (38.9%) and to use deepfake images, videos and voices of celebrities and persons known to the intended victims (22.2%).

Regulators say criminals are already exploiting AI across multiple fronts. The bad actors are creating and selling AI-powered trading bots, selling equity in companies, purportedly developing an AI model, or perpetrating account takeover scams. The technology is used in sophisticated and elaborate attacks such as identity fraud, using existing pictures of people online and website and app spoofing.

Schemes using digital platforms are effective because scammers can use online communications to quickly and efficiently reach many potential victims. Although their promotions often use slick professional imagery and professional videos to tout lucrative financial instruments, the sellers are often not registered or licensed by state regulators to deal in securities.

"The rapid growth of technology and the rise of artificial intelligence gives scam artists new tools to steal your money," said Leslie Van Buskirk, NASAA President and Wisconsin Securities Administrator. "AI investing is the latest technology to make waves in the investing landscape and fraudsters are pitching new investments that often have nothing to do with the latest tech developments and instead play on fear of missing out or get rich quick schemes along with other heightened emotions. In many cases, they are downplaying the need for due diligence and are pressuring investors to quickly part with their money."

Many of these schemes are affinity frauds that may also be heavily tied to emotion. Perpetrators of relationship and romance scams contact victims – oftentimes seemingly at random – and develop relationships before soliciting greater and greater investments. After draining the victim's bank accounts, the promoter simply disappears with the money. Regulators urge the investing public to check with their state or provincial regulator's office to check on out the investment and those offering it.

"State registration laws are critical to the protection of investors," said NASAA Enforcement Section Committee Co-Chair Amanda Senn. "Registered parties must typically demonstrate their qualifications, satisfy background checks, and even open their books and records to periodic state inspection. Investors should always look into the registration status of parties before purchasing investments especially those promoted over the internet or in social media."

"If something sounds too good to be true, it probably is," said President Van Buskirk. "Investigate before you invest and remember, being pressured to act is a huge red flag."

Investors are encouraged to contact the Arkansas Securities Department with questions about any investment opportunity or the persons offering it for sale before investing in the product. Call **1-800-981-4429** or visit the Department's website at **[securities.arkansas.gov](https://www.securities.arkansas.gov)** to report suspected fraud, inappropriate securities business practices or to obtain consumer information.