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## **SEC FLAGS GROUPS RIDING ON COVID-19 PANDEMIC TO SCAM INVESTORS, CONSUMERS**

The Securities and Exchange Commission (SEC) is warning the public against individuals and groups taking advantage of the COVID-19 pandemic to defraud investors and consumers.

In separate advisories, the Commission has flagged at least 14 groups engaged in unauthorized investment-taking activities and other fraudulent activities since the declaration of a national public health emergency following the confirmation of local transmission of the new coronavirus disease in early March.

In its most recent advisories, the SEC urged the public to stop investing in MAGINVESTKA.ONLINE (MIK.O), which purportedly trades Bitcoin against the US dollar, and Azenzo-Online, which supposedly operates as an independent crowdfunding platform.

MIK.O is operated by a person or persons using the pseudonym "Mag Forex." It entices the public to invest with a guaranteed 2% return daily or 200% in total for a period of 100 days.

Azenzo-Online, meanwhile, boasts about a "Deposit-Donation, Withdrawal-Blessing" scheme similar to that of Kapa-Community Ministry International. It promises a 30% return in as early as five, 10 or 15 days and a 100% "Donation Return" after 20 days.

Based on the records of the Commission, neither MIK.O nor Azenzo-Online registered as a corporation or partnership. Furthermore, they did not secure prior registration or license to solicit investments from the public, as required under Sections 8 and 12 of Republic Act No. 8799, or the Securities Regulation Code.

The SEC also flagged the activities of individuals and groups using the names of certain foundations or representing themselves as such.

The Commission particularly warned the public against a text scam using the name of President Rodrigo R. Duterte. Under the scheme, one would receive a text message stating that he or she won P750,000 from the President: Rodrigo Duterte Charity Foundation through an electronic raffle.



Based on the Commission's records, President: Rodrigo Duterte Charity Foundation was not registered as a corporation.

Those who act as salesmen, brokers, dealers or agents of fraudulent investment schemes may be held criminally liable and penalized with a maximum fine of P5 million or imprisonment of 21 years or both under the Securities Regulation Code.

Those who engage in text scams also face criminal prosecution for violation of the Revised Penal Code, the Cyber Crime Law and Data Privacy Act.

In addition, Republic Act No. 11469, or the Bayanihan to Heal as One Act, penalizes those participating in cyber incidents that make use or take advantage of the current crisis to prey on the public through scams, phishing, fraudulent emails, or other similar acts with two-month imprisonment or a maximum fine of P1 million or both.

"We encourage the public to carefully study and examine offers and invitations to participate in schemes promising easy money especially in these difficult times," SEC Chairperson Emilio B. Aquino said.

"On our part, the Commission will continue monitoring investment-solicitation activities online and on the ground to stop unscrupulous groups from putting any other burden on Filipinos, especially the vulnerable, amid the COVID-19 pandemic."

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