



UNAUTHORIZED INVESTMENT SERVICES: BOILER ROOMS

The Financial Services and Markets Authority (FSMA) warns the public against the activities of various "boiler rooms" that are contacting Belgian consumers. These are Hawk Trade, Saito Mergers & Acquisitions, White-Miller Associates and Global Strategy Capital Markets Ltd.

The companies named above are not authorized investment firms or credit institutions in Belgium and may not under any circumstances offer investment services in or from Belgium.

The FSMA thus **strongly advises against responding to any offers of financial services** made by the above companies and **against transferring money** to any account number they might mention.

The warnings about [Hawk Trade](#), [Saito Mergers & Acquisitions](#), [White-Miller Associates](#) and [Global Strategy Capital Markets Ltd](#) are available on the FSMA website.

We wish to reiterate that **boiler room fraud** is a type of fraud that involves contacting customers unasked, often by telephone, offering to sell them little-known shares or exotic financial products. Although the boiler room claims to be an authorized service provider with a professional website and forms to fill out, they are in reality swindlers who offer fictitious or worthless shares or products. As a rule, the consumer is enticed to make an initial, limited investment that very soon appears to be profitable. After that, the consumer is asked to make more and more additional investments. But unlike with the first, limited investment, the new investments lose money and when a consumer asks for his or her money back, it turns out to be impossible unless he or she makes further payments. Fraudsters running such operations often do not hesitate to put the consumer under severe pressure (hence the term "boiler room").

"Around the end of last year, I was contacted by phone by company 'ABC', operating from (...), in order to get me to make an investment. Initially I was sold shares in XX for a low price, which were subsequently exchanged with 'profit' for shares in YY. Still later, these were exchanged for shares in ZZ. In order to terminate certain transactions and have the money repaid, I had to buy shares in WW for ¼ of the entire amount invested. After having gone through a lengthy process, it turned out that the entire construction was a fraud! One that cost me a lot of money..."



"A few months ago (in December 2013) I was contacted by company 'ABC', with registered office in Japan, asking me to invest in shares in tech firms traded on the American stock market. So far I have invested around € 25,000. In April 2014, I asked them to sell my shares, since their price had already risen sufficiently. To date nothing has been paid out to me and 'ABC' asked me at the beginning of this month to pay a Surety Bond for a value of USD 7.480. The reason they gave was that I or someone with the same name as myself apparently still owed taxes in the US. Until I pay the Surety Bond (into an account number in China), they can't pay back my investment! "

Would you like to enquire more generally as to the regularity of a transaction being proposed? If so, please use the search function (available in [Dutch](#) and [French](#) only) on the FSMA website. You can also contact the FSMA directly (email address: info@fsma.be).

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