



State of Wisconsin
Department of Financial Institutions

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Investor Alert: DFI urges caution in trading of Iraqi currency

MADISON – The Wisconsin Department of Financial Institutions is urging investors to exercise caution when considering investment in the Iraqi Dinar, the currency of Iraq.

“In the past few weeks, our office has received several calls from Wisconsin residents inquiring about companies offering investment opportunities in the Iraqi Dinar,” said Patricia Struck, administrator of DFI’s Division of Securities. “We encourage investors to exercise extreme caution when considering their investment opportunities. They should do their homework.”

Several Internet sites advertise the opportunity to invest in the Dinar and tout the currency as a good bet to increase in value, in some cases dramatically. What consumers are not told is that the Dinars can be redeemed only in Iraq, since most established currency exchange houses and banks are not able to convert Dinars to U.S. dollars, Struck said. That allows dealers to charge whatever they want to sell and buy back the Dinars, since no exchange exists for the currency.

Some Dinar dealers have registered with the U.S. Treasury Department as a Money Service Business (MSB) in an attempt to legitimize their marketing efforts. Struck said that the MSB designation only means that a business has filed a registration form with the Treasury Department.

She encouraged Wisconsin residents to be discerning when it comes to choosing their investment brokers and advisers.

“Investors should do business only with registered brokers and investment advisers and should report any suspicion of investment fraud to us,” Struck said. “When an investment opportunity sounds too good to be true, generally it is.”

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