

CONSUMER TIPS: CRYPTOCURRENCY

-  **Cryptocurrency is not insured by the government.** Unlike the U.S. Dollar, the government does not insure cryptocurrency or cryptocurrency accounts. If a cryptocurrency exchange or wallet company fails, the government will not cover your losses.
-  **Cryptocurrency values can be unstable.** The value of cryptocurrency is derived by a common belief among users that it has value and it is based on supply and demand which is highly influenced by word of mouth.
-  **Cryptocurrency can be stolen.** Hackers have been able to breach advanced security systems to access personal information based on the public cryptocurrency transaction records. Any computer that stores cryptocurrency is a target for hackers.
-  **Cryptocurrency transactions can be taxed.** The Internal Revenue Service views cryptocurrencies as assets, not currency, and therefore all cryptocurrency gains or losses should be reported when filing taxes.
-  **Cryptocurrency scams.** Scammers have started taking advantage of consumers in the cryptocurrency market by creating fake opportunities. Many of these scams encourage consumers to invest in a brand-new cryptocurrency coin in an Initial Coin Offering and consumers eventually discover that the cryptocurrency coin does not really exist.

September 2025

