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NEWS RELEASE

For Immediate Release

February 2, 2022

**THE IDAHO DEPARTMENT OF FINANCE JOINS WITH FELLOW REGULATORS
TO STOP ANOTHER PRECIOUS METALS FRAUD SCHEME**

Safeguard Metals LLC Targets Senior Investors in \$68 Million Fraud Scheme

Boise, Idaho – The Idaho Department of Finance joined the Commodity Futures Trading Commission (CFTC) and 26 other states today to file a complaint in United States District Court for the Central District of California against Safeguard Metals LLC, and Jeffrey Santulan a/k/a Jeffrey Hill. The complaint alleges that defendants operated a fraudulent precious metals investment scheme attracting more than 450 investors and \$68 million nation-wide. Idaho consumers invested approximately \$1.3 million in the scheme.

“This is one of many large-scale precious metals investment schemes we’ve endeavored to stop since the pandemic began. Investors are advised to be particularly cautious when purchasing precious metals and to check for outrageously high commissions and markups, which we’ve seen as high as 30 to 70 percent,” said Patricia R. Perkins, the Director of the Idaho Department of Finance. “As the market continues to fluctuate, we anticipate more fraudsters using fear and uncertainty to manipulate good people out of their hard-earned money.”

The complaint alleges that the defendants targeted seniors with little experience in investing in precious metals and used scare tactics, half-truths, and other misrepresentations to entice them to purchase grossly over-priced silver coins with their retirement savings.

The defendants are also accused of failing to disclose the markup charge to investors and the risk of losing most of their investment funds. In many cases, the actual market value of the precious metals purchased was substantially lower than the value of the investors’ retirement savings liquidated to fund their purchase.

The defendants advised investors to liquidate their holdings at registered investment firms to fund investments in precious metals through self-directed individual retirement accounts. Self-directed IRAs should not be confused with traditional IRAs or other retirement vehicles. Self-directed accounts are placed with a custodian, but do not afford the same investor protections as traditional IRAs.

“Idaho will continue to partner with fellow regulators to vigorously fight to protect consumers from this and other schemes to defraud.” said Perkins. “Investors are advised to check the registration of all investment products and professionals, and ask tough questions about fees,

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markups, risks, and potential returns. If the answers seem too good to be true or don't make sense, protect your savings by just walking away.”

In October 2020, the Department partnered with other regulators to pursue action against another precious metals dealer, TMTE Inc., also known as Metals.com, Chase Metals, and Barrick Capital. The metals.com scheme affected 1600 seniors nation-wide and involved \$185 million.

The Idaho Department of Finance encourages investors to come forward if they suspect they have been targeted by similar precious metals investment schemes. Please contact the Idaho Department of Finance at securities@finance.idaho.gov.

Department of Finance press releases, and other information can be found on the Internet at <http://finance.idaho.gov> or may be obtained by contacting the Department at (208)-332-8000 or Idaho toll-free at 1-888-346-3378.