

What is Pump and Dump

A **pump-and-dump** scheme involves scammers promoting a stock with enticing offers and exaggerated claims about its potential value. In reality, the fraudster already owns a large quantity of that stock and is working to drive up demand through their promotions.

As more and more investors buy in, the price climbs. Once the fraudster feels the time is right, they cash out by selling all their shares at the inflated price, leaving unsuspecting investors stuck with stocks worth less than what they initially paid.

