Cybersecurity for Financial Advisors:

What You Need to Know and How to Talk to Clients

CoffeeCAST™

Securities America

Today's Speaker

Leon M. Johnson

CISO, Senior Vice President, Infrastructure and Technology Support

Securities America

Leon heads up information systems operations, security and technology support at Securities America. His responsibilities include infrastructure, disaster recovery, data center, audits, securing communications, data security, system security and malware protection.

The **Growing Threat**

A 2017 article from IBM estimates as many as 200 million financial services records were breached in 2016, a **900%** increase from the previous year and **65 percent more** than the average organization across all industries.

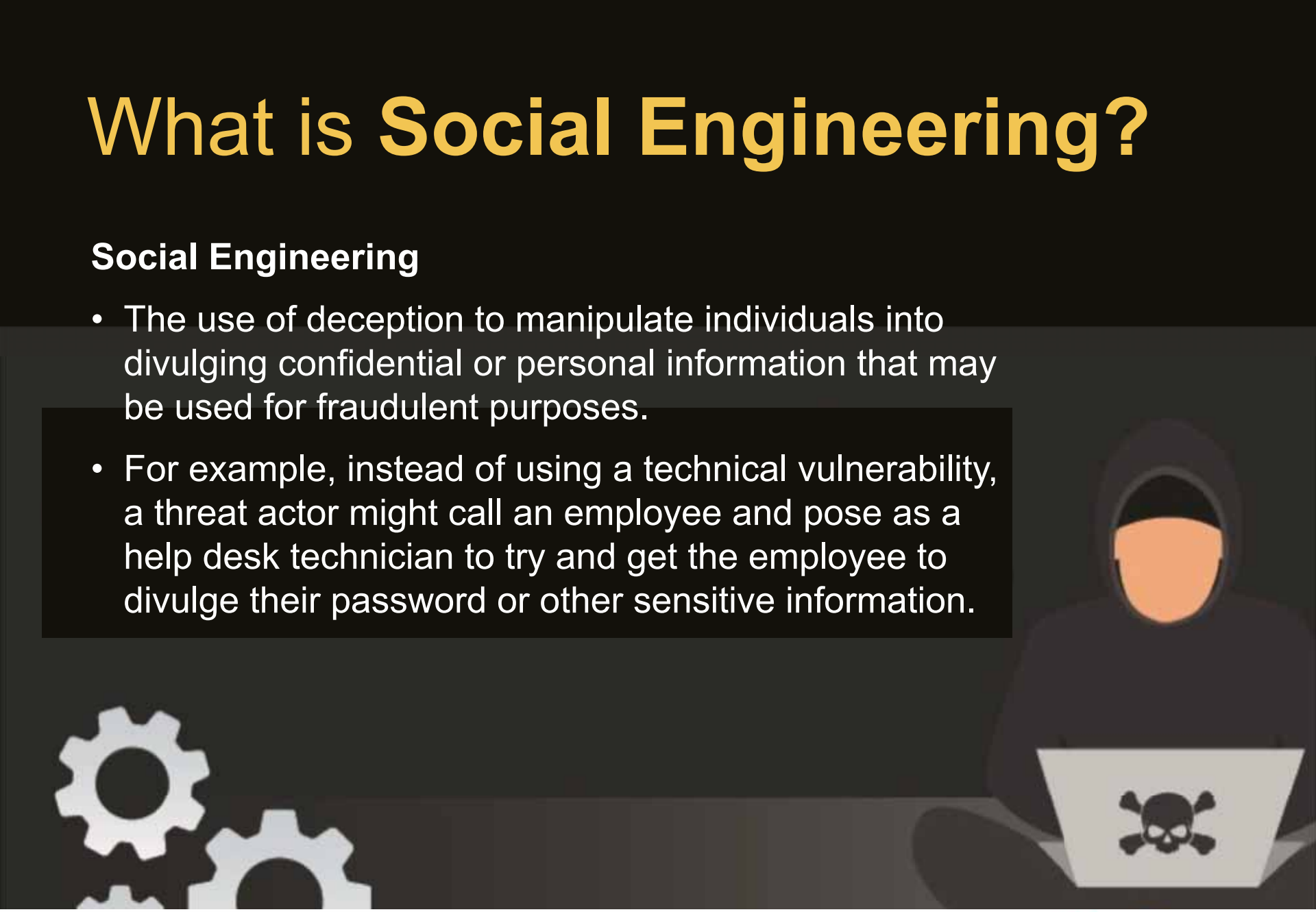
Cyber attacks cost small and medium-sized businesses an average of $2,235,000 in 2017.

There was a 54% increase in Mobile Malware in 2017 from 2016 according to the 2018 Internet Security Report.

What is **Social Engineering?**

Social Engineering

- The use of deception to manipulate individuals into divulging confidential or personal information that may be used for fraudulent purposes.
- For example, instead of using a technical vulnerability, a threat actor might call an employee and pose as a help desk technician to try and get the employee to divulge their password or other sensitive information.



Presented By

fa-mag.com

Common **Social Engineering Mediums**

92% of all malware is still delivered by email, according to Verizon's 2018 Breach Investigations Report

Spear Phishing

Attacks targeting specific individuals or entities are known as spear phishing.

Business Email Compromise/Email Account Compromise

- BEC is a scam targeting businesses working with foreign suppliers and/or businesses regularly performing wire transfer payments. EAC is a similar scam that targets individuals. These sophisticated scams are carried out by fraudsters compromising email accounts through social engineering or computer intrusion techniques to conduct unauthorized transfer of funds.

Tax Refund Fraud

- A targeted phishing attack that will spook an email account seeking W2 information be sent to the fraudster.

Ransomware

Ransomware is a type of malware that encrypts files, folders or drives on a computer and perpetually blocks access to the data in that location unless a ransom is paid, usually in Bitcoin or other digital currency.

How to **Protect Your Business**

Identify	Create an organizational understanding of how to manage cybersecurity risk to systems, assets, data and capabilities.
Protect	Establish appropriate safeguards to ensure delivery of critical infrastructure services.
Detect	Determine the activities necessary to identify the occurrence of a cybersecurity event.
Respond	Document the appropriate activities you will take in a detected cybersecurity event.
Recover	Detail your plans for cybersecurity resilience and restoration of capabilities or services that were impaired due to possible attacks.

Cyber Insurance/
Cyber Liability Insurance

Helps mitigate risk exposure by offsetting costs involved with recovery after a data breach or similar event.

Speaking to Clients About Cybersecurity

The main points of your message should:

- **Acknowledge** the cyberthreats affecting consumers every day and that you take these threats very seriously.
- **Articulate** your policies and explain how you and your team are addressing concerns.
- **Educate** clients on best practices to minimize cybersecurity risks.

Sharing Your Message with Clients

- Newsletter articles
- Emails
- Official conversation as part of annual/ semi-annual meeting
- Cybersecurity seminars

Are You **Prepared**?

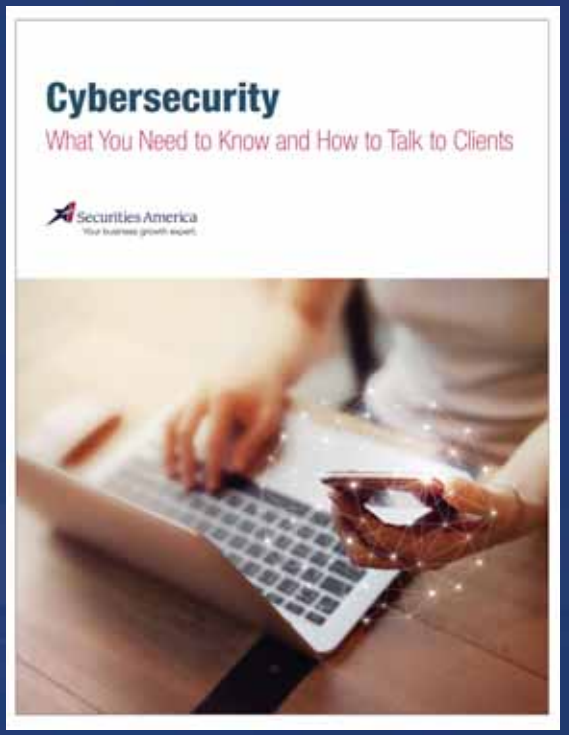
In 2017, **74 percent of financial advisors** had been the target of a cyberattack.*

Will you be prepared if it happens to you?

*"Three Key Cybersecurity Lessons for Financial Advisors," Wealthmanagement.com, Mike Schaffman, July 28, 2017

Get Started Today

- Go to **www.PracticeBuilderTools.com**
- Download your free guide, **“Cybersecurity: What You Need to Know and How to Talk to Clients”**



CoffeeCAST™

Securities America