ADVISOR SOLUTIONS GROUP, INC

INTEROFFICE MEMORANDUM

TO: [RECIPIENT NAME]
FROM: [YOUR NAME]
SUBJECT: FRAUDULENT EMAILS AND TWO-FACTOR AUTHENTICATION
DATE: [CLICK TO SELECT DATE]
CC: [NAME]

Fraudulent Emails

A common and frequent fraud is being committed via hacked email accounts. If a client's email account has been hacked the hacker may be able to see emails sent to and from your company. Mimicking the style and knowing key personal information the hacker could send a fraudulent email to your company attempting to steal assets in the form of a third-party wire transfer. Our Red Flags Identity Theft procedures require us to call the client to verify the transaction. Moreover, our custodians require us to speak with the client prior to executing any third-party wire transfer.

Criminals are innovative and new threats emerge constantly. Here are some less common threats to be aware of. A client's email address has been hacked and instead of requesting a third-party wire, the hacker could request an address change, new bank ACH information, a buy transaction or request to transfer securities. ALL of these could be part of a fraudulent scheme so be vigilant when you receive ANY email request from a client.

What if a your employee's email got hacked? A hacker could send one of us an email requesting a third-party wire transfer and the email would state the adviser has spoken with the client to confirm. We would call a client to verify a client email but what about an email from a one of our advisers? Even these emails should be verified with the adviser by a phone call.

Two-Factor Authentication (2FA)

There are three generally recognized factors for authentication: something you know (such as a password), something you have (such as a cell phone), and something you are (such as a fingerprint). 2FA uses two of these to authenticate the user. Most free email providers including Gmail, Hotmail etc. have the ability to activate two-factor authentication. It is highly recommend that you do so on your personal email accounts. It is a slight inconvenience but well worth the additional protection.