

Cybercrime is committed when a computer is the object of the crime or used as a tool to commit the crime.<sup>1</sup> The FBI defines cyberfraud as the use of internet services or software with internet access to defraud victims or take advantage of them.<sup>2</sup> Both cyberfraud and cybercrime overlap and cover a wide range of criminal activity such as:

- Identity Theft
- Data Breaches
- Stolen Bank Account Numbers
- Stolen Online Passwords
- Copyright Infringement
- Theft of Personal Information (IP)
- Theft of Health Information (PHI)
- Terrorist Attacks
- Bullying/harassment
- Cyberstalking
- Hacking (unauthorized access)
- Ransomware (hostage data)
- Malware/Scareware (malicious code)
- Phishing/Spoofing (fake emails)
- Computer Viruses

Your financial advisor should be committed to keeping your personal and financial information safe. For example, your advisor should have several protocols and safeguards in place to help protect your assets. In addition, custodians such as Schwab, should partner with your advisor to help keep your accounts safe.

### WAYS YOUR FINANCIAL ADVISOR CAN HELP PROTECT YOUR INFORMATION AND ACCOUNTS

Use a full-service IT security company who specializes in keeping banks and credit unions safe and secure. ●

Require verbal confirmation with security questions for third-party wire requests and change in bank information. ●

Review and test a Business Continuity Plan annually to prepare for and limit breaks in service due to natural disasters, power outages, etc. ●

Annual review and testing of a Data Security Plan to safeguard your confidential information. ●

Participation in fraud and cybersecurity conferences and webinars. ●

Password protect emailed documents that contain full account numbers, Social Security numbers or birthdates. ●

Offer secure upload link in emails to send documents to your advisor securely. ●

Secure building and office space with locked drawers, cabinets and doors containing confidential information. ●

Financial advisor keeps a locked waste receptacle for sensitive documents that is picked up and shredded by professional shredding company biweekly. ●

### HOW YOUR CUSTODIAN PROTECTS YOUR ACCOUNTS

Schwab and many other custodians take your security seriously and leverage protocols and policies to help protect your financial assets and personal data. Examples of their security efforts may include:

Set up voice recognition to confirm your identity. ●

Use of two-factor authentication requiring a unique code each time you access your investment accounts. ●

Learn the security measures your custodian takes. For example, Schwab has a Schwab Security Guarantee, which covers 100% of any losses in any of your Schwab accounts due to unauthorized activity. ●

1. Retrieved from <https://www.techopedia.com/definition/2387/cybercrime>

2. Retrieved from <https://www.fbi.gov/scams-and-safety/common-fraud-schemes/internet-fraud>