

Data Breaches and Identity Theft

In the wake of the recent data breach at Equifax, we have fielded several questions from affected clients about how best to protect assets in investment accounts that Guyasuta manages. The primary risk posed by the breach of confidential data is a third party being able to use the data to implement an unauthorized transfer of funds. Guyasuta's policy is to verbally verify all requests to move funds that come via email or in writing, even if it is a request to move funds to an account with like registration or to a third party account with standing instructions. The custodians that we work with would require an additional signature before initiating a new transfer to a third party, whether requested through Guyasuta or directly by a client. These policies help to minimize the risk of a fraudulent transfer of funds from a client account. As an added measure of safety, we would encourage clients whose assets are held in custody by Charles Schwab to contact Schwab Alliance at 800-515-2157 to establish a verbal password and to request a security token. Establishing a verbal password puts in place a requirement that any verbal transaction requests made by a client directly to Charles Schwab be accompanied by the verbal password. A security token is a form of dual authentication that is used when accessing the Charles Schwab website. It generates a unique numeric code that is required to be entered along with the client's unique password when accessing accounts via the Charles Schwab website. We would encourage clients who utilize custodians other than Charles Schwab to contact them directly and inquire about what additional security features can be added to their accounts.

Cybersecurity and data protection are vast and complicated subjects. The Federal Trade Commission has several resources on their website that are a good place to start.

- 1) <https://www.consumer.ftc.gov/topics/privacy-identity-online-security> - provides general background on privacy and identity security.
- 2) <https://www.consumer.ftc.gov/topics/identity-theft> - focuses specifically on information related to identity theft.
- 3) <https://www.identitytheft.gov/> - provides information and connection to resources for those who have been affected by a data breach or specific instance of identity theft.

The exact outcome of the data breach at Equifax may not be known for some time, because the stolen data has yet to surface. Please continue to be vigilant with your information in cyberspace, including updating user names and passwords with strong, difficult passwords and changing them often. It really does make a difference when a cybercriminal has to take more than a few minutes to try to get to your information!

Please feel free to call our Chief Technology Officer, Ron Bartosh, at 412-447-4540 or email him at rlb@guyasuta.com if you have any questions and/or concerns.