Cyber Security
The Fifth Domain of Battle

Presented by

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Colorado Chapter

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Event Host

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Introductions

Our Moderator:

Greg Ruppert

Vice President

Financial Crimes Investigations

Charles Schwab

Our Panelists:

Chris Wallace

Lead Intelligence Analyst

CenturyLink

Tim Wallach

Supervisory Special Agent

Federal Bureau of Investigation

Ike Barnes

Acting Assistant Special Agent in Charge

Secret Service

Why it Matters / What's at Stake?

- Brand Risk / Client Experience
- Fraud Prevention
- Legal Risk
- Regulatory Risk
- Suspicious Activity Report Filing Requirements
- 2015 Regulatory Exam Priorities
  - SEC
  - FINRA
  - Cyber Security Breaches tied to BSA/AML Violations
- Fed/OCC/FDIC
  - OCC Comptroller Comments
- DOJ Concerns

Cyber security now crosses all security, compliance and business disciplines within an institution
– it is not just an information security or technology issue

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Cybercrime – FinCEN SAR Definitions

Computer Intrusion

- For purposes of the FinCEN SAR, the term “computer intrusion” has been replaced by the term “unauthorized electronic intrusion”. The new term continues to be defined as gaining access to a computer system of a financial institution, to:
  - a. Remove, steal, procure, or otherwise affect funds of the institution or the institution’s customers;
  - b. Remove, steal, procure or otherwise affect critical information of the institution including customer account information; and
  - c. Damage, disable or otherwise affect critical systems of the institution.

Account takeover

- “Account takeover” activity differs from other forms of computer intrusion, as the customer, rather than the financial institution maintaining the account, is the primary target.
- In an account takeover, at least one of the targets is a customer holding an account at the financial institution and the ultimate goal is to remove, steal, procure or otherwise affect funds of the targeted customer.

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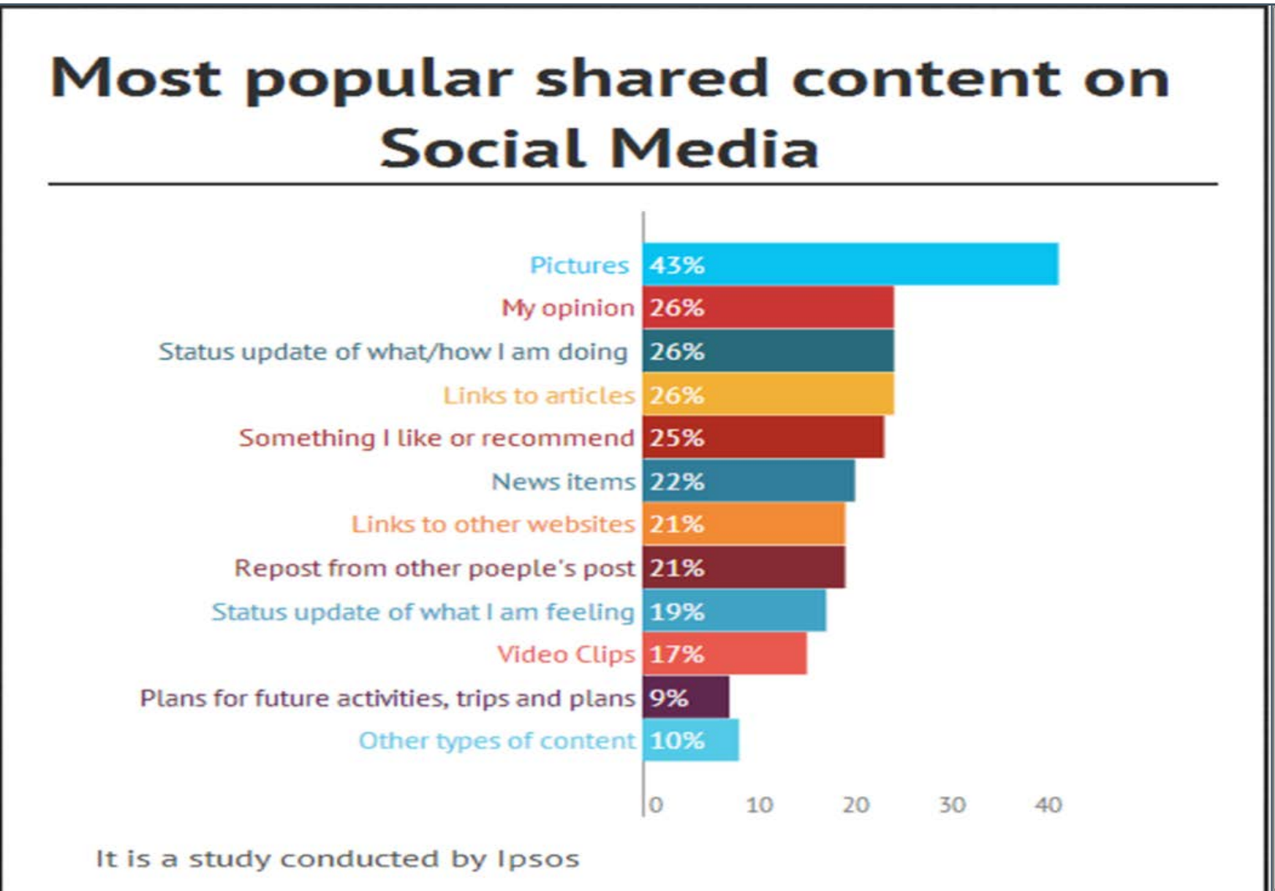
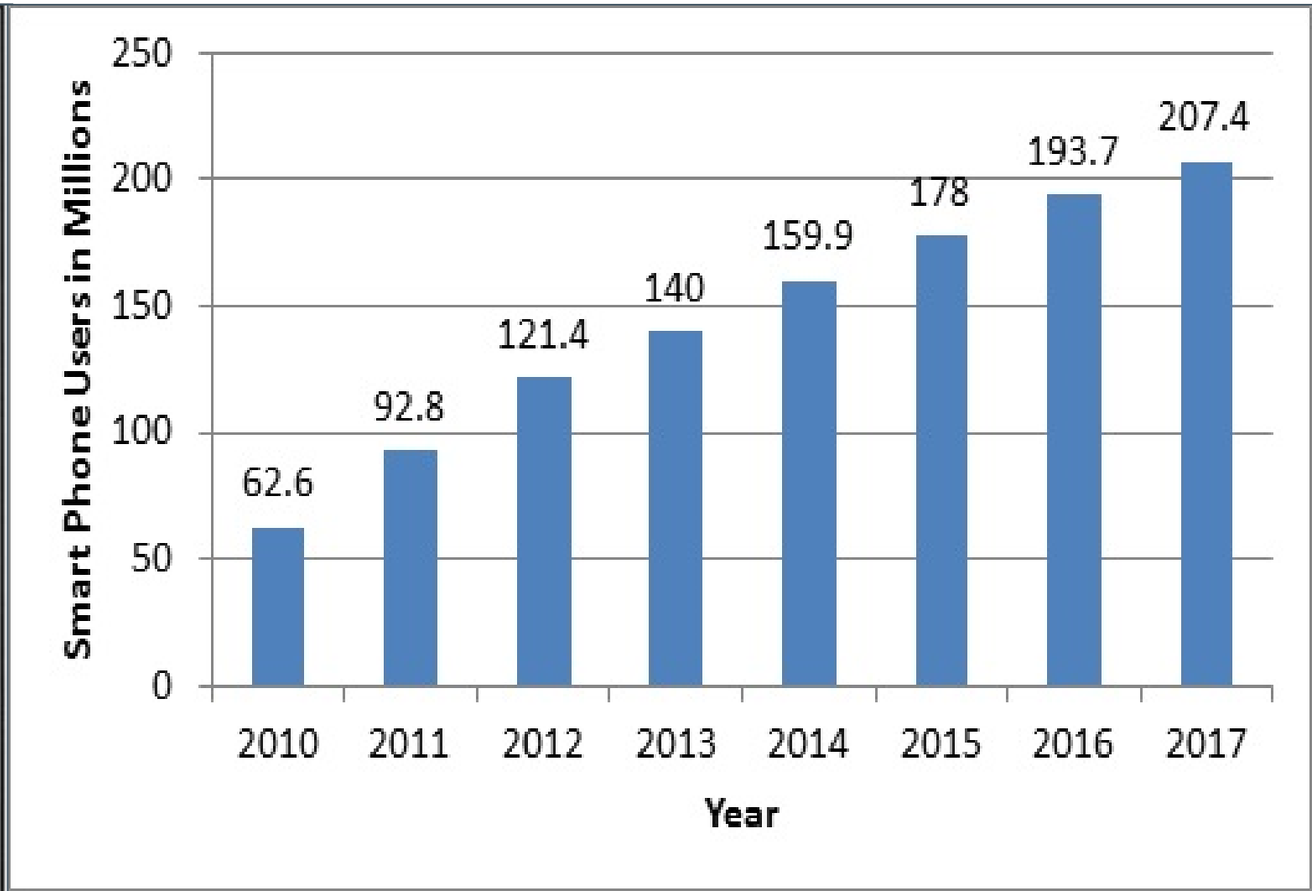
The Environment

- In 2015: the Internet Population was estimated at over 3 Billion Users (Over 42% of the World's Population).
- US Survey: 60% Internet Users were on-line for at least 3 hours per day.
- Nearly 80% of all Smartphone users keep their phones with them, all but 2 hours of the waking day.





Cyber Threat Actors

- Nation State Actors
  - China
  - Russia
  - Iran
  - North Korea
- Criminal Actors & Organizations
- Hacktivists
- Insiders
  - Accidental
  - Intentional

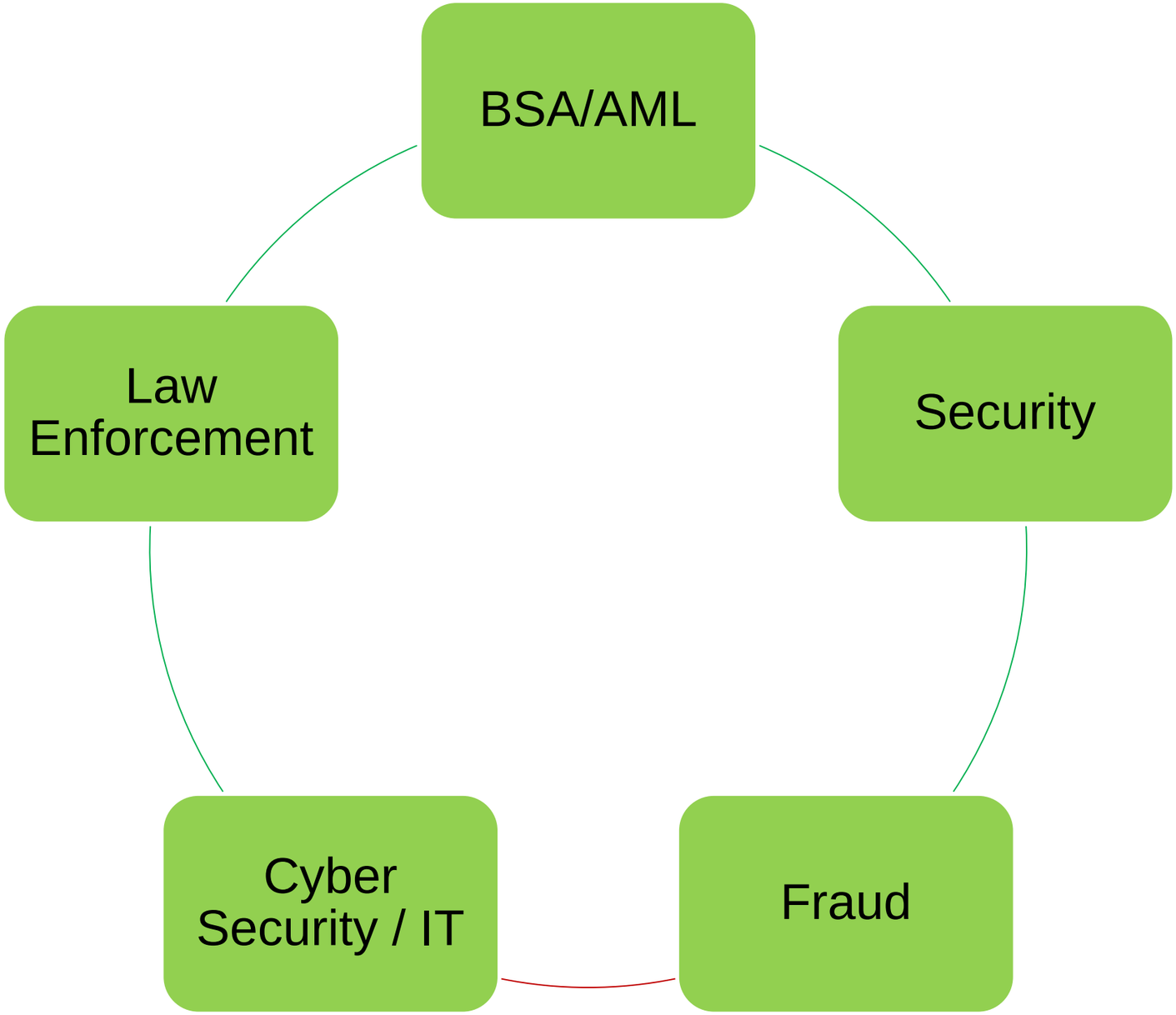
Cyber Attacks

- Social engineering
  - email
  - social media
  - phone
  - in person
- Phishing
  - spear phishing
  - ID theft
  - email phishing
- Phone spoofing / Phone porting
- DDOS
- Remote Access Tools

Key Cyber Trends

- Financial Accounts Targeted Phishing Attacks
- Client Account Take-Overs
- Business Email Compromise
  - Executive Management Email Spoofing
- Romance Scams
- Title Company Wire Direction Hijacking
- Business Opportunities / Work at Home
- IRS False Filing / Imposter Scams
- Lottery Fraud
- Penny Stock Fraud
  - Account Take-Overs; Cyber Intrusions; Social Engineering

Financial Institutions Cyber Best Practices



Key Membership Groups

- ACAMS
- Financial Services Information Sharing Analysis Center (FS-ISAC)
- National Cyber Forensic Training Alliance
- FBI InfraGard
- USSS Electronic Task Force
- FBI Cyber Task Force

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Q&A from the Audience

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