

MEMORANDUM

TO: All Retirement Boards

FROM: Bill Keefe, Executive Director

RE: Recent Investment Fraud Attempts

DATE: March 27, 2025

Please be aware that PERAC was recently notified of attempted fraud against a retirement board. An email was sent to the Board administrator imitating a capital call originating from their investment consultant. It said it was from “Investor Relations” and had a link to a capital call notice. A capital call is when a money manager asks investors in their fund to send the money they have agreed to invest. There were several red flags to this email:

- It mimicked the name of a legitimate investment consultant employee but had an email extension which the consultant does not use. This unusual email raised an alarm with the board.
- It used an unusual term to make it appear to be a capital call notice.
- A capital call would only come from the fund manager, it will never come from the investment consultant.

Thankfully, due to the quick actions and diligence of Board staff, this fraud attempt was NOT successful. Staff should be sure to verify any requests or correspondence and make sure that they are legitimate, check email addresses, contact information like phone numbers and addresses. Do not hesitate to reach out to the manager to make sure of the legitimacy of any communication.

Though this fraud attempt was initiated by someone posing as an investment consultant, we were also recently notified by an investment manager that they had detected two instances of fraudulent capital calls by someone impersonating an employee of the manager. These were detected and prevented.

Boards should review Memorandum 30 of 2021 and make sure that the board is utilizing the best practices mentioned in that memo to ensure it is protected from fraud to the extent possible.



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Boards should notify PERAC, in addition to their investment vendors and law enforcement where appropriate, of any attempted or successful cyber intrusion into a system's network, email, or databases, or unauthorized activity by a third party. This enables PERAC to assist the retirement board and bring valuable security information to all retirement boards in a timely manner.

Please contact Compliance Manager John Galvin at John.p.galvin@mass.gov or 617-591-8927 with any questions and to report any issues.