

MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: Investment Fraud Alert

DATE: October 26, 2021

Retirement Boards should be alert to a recent phishing scheme involving the transfer of assets from Board investment accounts. PERAC has become aware that one of the Retirement Boards was the victim of a fraudulent transfer of assets, after a former employee's Board email account was hacked and then used to initiate a transfer of funds into a non-board account.

PERAC is sending this memo to alert boards to take precautionary measures to prevent a similar situation.

Please review your IT user access authorizations to ensure only current authorized users have access to your network and email. Additionally, please review your protocols for reviewing IT user access and removing staff or board members as they leave the organization.

Additionally, please review and confirm your security processes with your vendors (consultants, managers, custodians) for authorizing transactions and establishing and using properly authorized bank accounts. All Boards should ensure their managers have wire instructions in place and they should not be deviated from.

Lastly, please ensure there is diligent scrutiny by vendors and the Board of all periodic bank and investment statements.

We will be working with all parties involved to address this situation and will transmit further information as warranted.

JWP/dmd

