



QUARTER

Newsletter of the PA Department of Banking and Securities

Block Criminals

and Protect Your Money with Smart Cybersecurity

**Consumer Alert:
Top 3 Holiday Scams**

**National Honors for
Juniata College Students**

**Protect Yourself
Against Phishing**



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SECRETARY ROBIN L.

dobssecretary@pa.gov

Wiessmann

Block Criminals

and Protect Your Money with Smart Cybersecurity

At the beginning of 2018, I declared the word of the year to be cybersecurity. National Cybersecurity Awareness Month this October is a good time to revisit the substantial risk that a data breach can pose to the financial infrastructure of Pennsylvania.

The digital tools we use every day make life easier and connect us to the people who matter most. Smart devices and online services are constantly collecting material about us that is valuable in the marketplace. Companies make money selling the data we provide, and this information can be bought and sold, used and reused, by anyone who has it for marketing or sales purposes.

Data is Worth Millions

But this data is also wanted by criminals looking to make a quick profit. It's a sobering fact that the biggest data breaches over that past years total nearly 4 billion pieces of stolen data. Of the three million complaints the [Federal Trade Commission](#) (FTC) received in 2018, identity theft ranked the third most common after losing money to fraud and debt collection.

This year, we witnessed one of the largest data breaches in history, when a hacker accessed more than 100 million Capital One U.S.

customers' accounts and credit card applications. [According to the bank](#), 140,000 Social Security numbers, 1 million Canadian Social Insurance numbers and 80,000 bank account numbers were compromised, along with names, addresses, and credit scores.

The anticipated cost to Capital One is between \$100-150 million for customer notifications, credit monitoring, technology costs and legal support. The average cost of a data breach in the U.S. in 2019 is **\$8.19 million**, and to American financial institutions it's \$5.9 million. Companies have a social and corporate responsibility to avert this level of financial damage and loss of trust.

What's more, when a data breach is contained, it does not mean the damage is over for the victim. For weeks, or even years, after a breach, victims can have their identities stolen and their savings accounts depleted.



Prepare and Prevent

Every person and business should consider themselves vulnerable. Organizations in both the private and public sector, and of all sizes, should talk about data preparedness and take seriously data handling, storage, and usage.



Every business should:

- Develop an inventory of information it stores and uses
- Encrypt all personal online data
- Restrict access within the company to data
- Delete nonpublic material when it serves no institutional purpose
- Secure data from unauthorized users
- Avoid using as account numbers sensitive data, like Social Security numbers
- Educate employees about cybersecurity and the company's privacy protocol
- Implement Principals of Least Privileges (PoLP)
- Have a plan for how to respond to data breaches and other security incidents

To help manage the process, the National Institute of Standards and Technology (NIST) [guide for small business owners](#) includes steps to take to safeguard information systems, while its

[Cybersecurity Framework](#) guides organizations through the risk management process. In addition, the Federal Financial Institutions Examination Council (FFIEC) developed a [Cybersecurity Assessment Tool](#) to help financial institutions identify hazards and their level of readiness.

There are also many things Pennsylvanians can do for themselves:

- Check accounts and banking statements frequently
- Don't use public Wi-Fi to conduct online banking
- Freeze credit reports through Equifax, Transunion and Experian
- Change passwords often
- Know how to identify scams
- Think before you click

Resources from [the Wolf administration](#) and the Department of Banking and Securities empower Pennsylvanians to educate themselves on [cybersecurity](#) and [identity theft](#).

Act Quickly

If you think your information has been compromised, don't panic. Instead, check out these step-by-step guides from the FTC for [consumers](#) and [businesses](#).

Also, if you think you are one of the 147 million people affected by the 2017 Equifax breach, you have until January 22, 2020 [to file a claim](#) for restitution. The settlement includes free credit monitoring and cash payments for victims.

The bottom line is that organizations and individuals must protect their personal and financial data. The department will continue to work with other financial regulators to raise awareness of the resources and tools available to develop strong data procedures and practices. We can't stop criminals from wanting to steal personal information for an easy pay off, but we can block their attempts with wise cybersecurity practices.

JOBS AT DOBS

Career opportunities are available NOW!



PA MILITARY FINANCE ALLIANCE

“Making Sense of Finance”



The PA Military Finance Alliance is sponsoring a noncommercial **FREE** event for military, veterans and their families to increase their financial awareness and protect their assets. Free breakfast, lunch and parking are included, with a chance to win raffle prizes.



 "This was one of the best conferences I have ever been to. The info I received from this is going to help me and my wife for a while."

Saturday, October 19

9:00 AM to 1:00 PM
Registration begins promptly at 8:00 AM at Chapel of Four Chaplains, The Navy Yard
1201 Constitution Ave.,
Philadelphia

Learn more about:

- Getting Your Financial House in Order
- Credit Reports and Credit Scores
- Investing Basics
- Budgeting: Building Wealth Not Debt

Lunch at noon will feature a fraud prevention panel and keynote speaker G. Jeffrey Boujoukos, regional director of the Securities and Exchange Commission, Philadelphia regional office.

Space is limited and registration is required. [To register, please click here.](#)

For questions, please email informed@pa.gov or call **1.800.PA.BANKS**.

Making Sense of Finance is made possible through the Pennsylvania Military Finance Alliance, a cooperative effort of the PA Department of Military and Veterans Affairs, the PA Department of Banking and Securities, the PA Office of Attorney General, Pennsylvania Military OneSource, Better Business Bureau, Liberty USO, Army Community Service, PA National Guard, and Clarifi. The Alliance is the only collaboration of its kind in Pennsylvania devoted to helping members of the military make smart financial decisions.

Event supported by members of the PA Military Finance Alliance:



OUTREACH Spotlight

Upcoming Events

“Fraud BINGO”

Oct. 25: 10:00 AM to 11:00 AM
Center in the Park Senior Center
5818 Germantown Avenue
Philadelphia (Philadelphia County)

Oct. 30: 12:30 PM to 1:30 PM
Red Land Senior Center
736 Wyndamere Road
Lewisberry (York County)

Scam Jam

Oct. 24: 2:00 PM to 4:00 PM
Fairview Township Meeting Room
55 Fairview Road
New Cumberland (York County)

Start Today and Retire Tomorrow

Oct. 24: 11:00 AM to 12:00 PM and
1:30 PM to 2:30 PM
CareerLink Butler County
112 Hollywood Drive, Ste. 203
Butler (Butler County)

Legislative Expos

Sen. Tommy Tomlinson’s Senior Expo
Oct. 19: 10:00 AM to 12:00 PM.
Bensalem High School
4319 Hulmeville Road
Bensalem (Bucks County)

Sen. Pittman and Reps. Struzzi and
Dush Senior Expo
Oct. 24: 10:00 AM to 1:00 PM
S&T Bank Arena White Township
Recreation Complex
494 East Pike Road
Indiana (Indiana County)

Ladore and Rep. Jonathan Fritz
Senior Expo
Oct. 31: 9:30 AM to 12:30 PM
Camp Ladore
398 South Street
Waymart (Wayne County)

Complete calendar of events [online](#)



Consumer Alert

Top 3 Holiday Scams



Be on the lookout this holiday season for these common scams.

1 Advanced Fee Scam

Who is often targeted?

People with poor credit because they are promised “guaranteed” approval.

How it works

Con artists pose as reps from companies that seem real. They use slick presentations via phone, email, classified ad, website or social media to trick victims into paying large upfront fees for bogus loans, loan modifications, loan refinancing or credit cards.

Victims are asked to pay seemingly legitimate fees for the loan application, insurance or other services. The criminal takes the fee and disappears. Although

a legitimate lender may charge application, credit report and other fees, they are generally subtracted from the loan amount after it is approved.

Protect Yourself

- Never pay up-front for a loan or credit, especially by wire transfer or to another country. Such payments are extremely difficult to recover or trace.
- Research who you are dealing with before taking any action.

2 Friends and Family Scam

Who is often targeted?

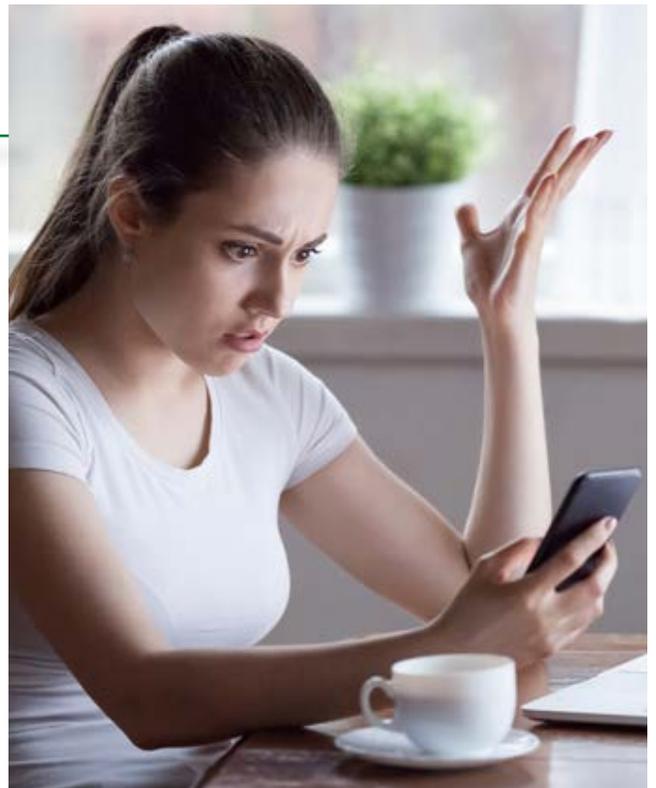
Anyone using PayPal to pay for goods or services.

How it works

A seller asks a buyer to send money through the PayPal “Friends and Family” payment option, which has no transaction fee but does not allow for formal dispute of the transaction. The goods or service is then not provided, and the money is gone.

Protect Yourself

- Only use PayPal “Friends and Family” with people you know and trust.
- Consider using a credit card for online transactions



3 Fake Check Scam

Who is often targeted

Anyone who might be receiving payment by check or is interested in earning some “easy money” for depositing a check on someone else’s behalf.

How it works

A victim is given a check for payment or a prize and deposits it. Sometimes the check will be for more money than what is owed, with an explanation that the extra is for taxes, fees or intentional overpayment for cash back. The scammer asks the victim to wire a certain amount back to cover these costs. When the check does not clear at the bank, the victim loses the original amount on the check, as well as the money sent ahead to cover costs.

Protect Yourself

- Never take a check for more than a selling price
- Never send money back to someone from whom you received a check
- Use an online payment service instead of check for online transactions
- Talk to someone you trust before you act.



Before you or a loved one becomes a victim of any of these scams, contact the Pennsylvania Department of Banking and Securities at **1.800.PA.BANKS** or informed@pa.gov.

Cyber Section



Phishing Reminder

Because Commonwealth of Pennsylvania employees names and titles are publicly available, phishing emails might use this information to trick recipients into opening dangerous attachments or accidentally loading malware. Any official communication from the Department of Banking and Securities will only come from domain **@pa.gov**. Be on the alert for domains that look similar but are not. If you receive an email from a different domain, **do NOT click**. Please report it as a phishing attempt via your internal processes.





Next Generation Bankers Academy Inspires Students



At the conclusion of the Next Generation Bankers Academy in August, the 16 students who participated had a lot of positive things to say about the experience. Co-hosted by the Pennsylvania Department of Banking and Securities, the Pennsylvania Bankers Association and the Pennsylvania Association of Community Bankers, the free, week-long program taught students different aspects of community banking.

A true collaboration to engage students about leadership and careers in financial services, the academy gave students a close look at various banking careers and a chance to meet senior bank management. Here is what they said:



There are all sorts of career opportunities in the financial services industry. "I became inspired each day by the different opportunities that were presented to us."



Students learned that a common defining characteristic of high achievers is that they love what they do. "Talking with bank executives who are passionate about their field really inspired me."

Banks want and need younger people to break into the financial industry, because it is an aging industry. We don't know yet what the future holds for these bright young students, but we hope to see them go on to internships and full-time positions in banks.



FDIC 2019 Director's College

The Federal Deposit Insurance Corporation (FDIC) will present, along with two partner associations, two programs for banking board of directors. FDIC 2019 Director's College is a half-day event that includes two breakout sessions, a large group case study exercise on fintech, and an economy update.

October 23

8:15 AM

Double Tree Hotel, Monroeville.

Register: [Pennsylvania Association of Community Bankers](#)

Contact: Barbara Holbert 717.231.7447

November 14

8:15 AM

Hershey Country Club, Hershey.

Register: [Pennsylvania Bankers Association](#)

Contact: Jackie Catalano 717.255.6939

Breakout topics include:

- Conversation with the Regulators
- Liquidity Management – Is Your Bank's Oversight Program Appropriate? Guidance for New Directors
- Late Cycle Credit – How Stressed is Your Portfolio?
- Audit Committee Oversight

This is an excellent chance for banking directors to share experience and insights with banking colleagues, walk through a CRE stress scenario, and learn about audit and board governance, as well as new trends in funding structures.

Please see the [Breakout Module Summaries](#) for more details.



National Honors for Juniata College

On October 1, Secretary Robin Wiessmann introduced students from Juniata College at the CSBS Community Banking in the 21st Century Research and Policy Conference at the Federal Reserve Bank of St. Louis, Mo. (left). The students presented their award-winning Community Bank Case Study Competition to an audience of community bankers, academics, policymakers and bank regulators.

The team partnered with Kish Bank in Belleville, Pa., and prepared a case study focused on a recent regulatory relief provision contained in the Economic Growth, Consumer Protection and Regulatory Reform Act. These relief provisions are intended to spur lending activity and reduce compliance costs for smaller banks and credit unions.

(Left) the Juniata College Case Study team poses with Federal Reserve Governor Michelle 'Miki' Bowman.

This year, 58 college teams participated in the competition nationally, with 17 of those teams from Pennsylvania. To get involved in next year's competition visit the [CSBS website](#).





Attention Small Businesses:

Here's how to get on Pa.'s vendor list.

The [PA Department of General Services' Bureau of Diversity, Inclusion and Small Business Opportunity](#) assists small, diverse, and veteran businesses in competing for commonwealth contracting opportunities. Through this facilitation, Minority Business Enterprises, Women Business Enterprises, Veteran Business Enterprises, Service-Disabled Veteran Business Enterprises, Disability-Owned Business Enterprises, and LGBT Business Enterprises can engage in the public procurement process and develop or expand their footprint in the commonwealth marketplace. To begin the process, [visit the application guide](#).

Join the Conversation...

If you haven't checked out the Department of Banking and Securities on social media lately, you're missing out.

- Follow us at our new Twitter handle for news and conversations relevant to the PA financial industry: [@PADeptBanking](#)
- Like our new, unified Facebook page for videos and infographics about protecting and managing your money: [PA Banking and Securities](#)
- Connect on LinkedIn for employee news, job openings and tips for finance professionals: [PA Banking and Securities](#)

2020 Bank Holidays

Here is a list of 2020 legal bank holidays as extracted from Section 113 of the Banking Code of 1965, as amended:

When a fixed holiday falls on a Sunday, it shall be observed on the following Monday; when it falls on a Saturday, it may also be observed on the following Monday.

Fixed Holidays

- January 1 – New Year's Day
- January 20 – Dr. Martin Luther King, Jr. Day
- May 25 – Memorial Day
- July 4 – Independence Day
- September 7 – Labor Day
- November 26 – Thanksgiving Day
- December 25 – Christmas Day

Optional Holidays

- February 12 – Lincoln's Birthday
- February 17 – Washington's Birthday
- April 10 – Good Friday
- June 14 (Sunday) – Flag Day
- October 12 – Columbus Day
- November 3 – Election Day
- November 11 – Veterans' Day





Compliance Corner

3rd Quarter 2019 Enforcement Orders



The Department protects consumers through the following laws:

- Check Casher Licensing Act
- Consumer Credit Code
- Consumer Discount Company Act
- Debt Management Services Act
- Money Transmitter Act
- Mortgage Licensing Act
- Pawnbrokers Licensing Act
- Pennsylvania Securities Act of 1972

Since July 12, the Department of Banking and Securities issued 11 enforcement orders, with fines and assessments totaling \$420,000. To see details on these enforcements, go to dobs.gov/enforcement.

To file a complaint about financial products or services, please call **1.800.PA.BANKS** (800.600.0007) or [online](#).

Research Region

October is Domestic Violence Awareness Month

Did you know that there is a financial component to most domestic violence? The Department of Banking and Securities is partnering with the Pennsylvania Coalition Against Domestic Violence in the coming months to raise awareness about the issue and to help educate women about the importance of financial capability.



99% of domestic abuse cases include financial abuse, preventing victims from leaving.



Nearly 80% of victims don't have living wage employment.

*Source: Pennsylvania Coalition Against Domestic Violence

