



Commonwealth of Kentucky
Public Protection Cabinet
Department of Financial Institutions

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Statement on Cyber Risk and Investment Threats Related to the Conflict in Ukraine

FRANKFORT, Ky. (March 23, 2022) – *The following is a statement from Marni Rock Gibson, Director of the Securities Division, Kentucky Department of Financial Institutions (DFI), related to the conflict in Ukraine.*

During this time of troubling international conflict, the Department of Financial Institutions cautions investors and securities firms to be vigilant about increased threats from cyberattacks and potential investment scams.

“Difficult times can bring out the best in people, but as regulators we know from experience that there are bad actors looking to exploit crises to perpetrate scams on unsuspecting investors,” said Marni Rock Gibson, Director of DFI’s Securities Division. “Investors and firms alike should make sure they are taking the steps necessary to safeguard financial information and are on the lookout for potential investment scams.”

The department offered the following tips for investors.

1. **Be skeptical of investment opportunities linked to the headlines.** We are all aware of the rising costs of energy and fuel. Fraudsters may seek to take advantage of the rising gas prices to try and pitch extremely risky or bogus investments within the energy sector, including possible oil and gas deals. Delete unsolicited emails and social media messages touting investments with limited or no risks but significant or guaranteed returns.
2. **Do your homework.** Given the recent volatility in the financial markets, investors are likely concerned about their retirement accounts. Unscrupulous promoters may look to prey on this concern and attempt to convince investors to leave the regulated markets in favor of “less volatile” or “stable” investment opportunities. Investors are cautioned to investigate both the background of the person and firm offering the investment and the investment itself. Check with DFI to determine if the person is registered to sell

investments and if the investment has been registered. Consult with your financial professional before making decisions to sell any of your investments.

- 3. Monitor accounts regularly and take steps to protect your financial data.** Be sure to keep an eye on your brokerage, bank, and credit card statements to spot potential fraudulent or suspicious transactions. Contact your financial professional, bank, or credit card issuer immediately if you see any questionable transaction or charge. Take steps to protect your financial data such as updating passwords and using dual factor authentication when it is available.

If investors have questions about the material above, please contact DFI at 502-573-3390 or kfi@ky.gov.

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DFI, <http://kfi.ky.gov>, is an agency in the Public Protection Cabinet. For more than 100 years, it has supervised the financial services industry by examining, chartering, licensing and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents by promoting access to a stable financial industry, implementing effective and efficient regulatory oversight, enforcing consumer protections, encouraging economic opportunities and encouraging sound financial decisions through financial empowerment programs.