



## July 2017 – Cybersecurity and You—It’s Personal

*You, too, will be driven away from your native land and ancient domains as leaves are driven before the wintry storms. Sleep not longer, O Choctaws and Chickasaws, in false security and delusive hopes. Our broad domains are fast escaping from our grasp. Tecumseh*

*An element of virtually every national security threat and crime problem the FBI faces is cyber-based or facilitated. We face sophisticated cyber threats from state-sponsored hackers, hackers for hire, organized cyber syndicates, and terrorists. James Comey*

*Organized crime and rogue nation states and terrorists are very much focused on the Internet of Things. The challenge that goes with connectivity is always security. The bad guys go wherever the return is, and now it's more lucrative for bad guys to focus on cybercrime than traditional crime. John T. Chambers*

### Personal Identity and Security

Most of us use and enjoy our “smart phones” and the internet. We find them convenient, useful, informative and fun. Today you can readily get a lot of information about almost anything and anyone.

The flip side of this is that it also means that almost anyone can find out almost anything about you.

This quarter we are addressing your security not only in this quarterly letter but also in our enclosed inserts. But first we want to state what cybersecurity is. A Google search quickly gives us a definition by WhatIs.com:

*Cybersecurity is the body of technologies, processes and practices designed to protect networks, computer programs and data from attack, damage or unauthorized access. In a computing context security includes both cybersecurity and physical security.*

This means our individual assets and well-being can be as vulnerable from a computer break-in as a home-break-in.

We believe there is no such thing as perfect security. There is a myth about the Titanic that said, “Let God sink this ship if He can.” We should quote a Yiddish proverb: “Man Plans, God Laughs” instead.

Part of the problem is that most of us don’t understand the computer security jargon. What do virus, anti-virus, cloud computing, encryption, identity theft, malware, phishing, spyware, worm, etc. really mean? Furthermore, do we really want to remember dozens of different passwords, each with their own number and letter conventions? Do we want to change them constantly? Human nature rebels against this so-called inconvenience. Yet we really don’t know what inconvenient is until we have fallen victim to some sort of computer crime. Then, we discover that our bank accounts, stock accounts, credit cards and our other assets and liabilities are as vulnerable as though we left our doors and windows wide open with all of our cash and other assets in plain view to everyone.

Again there are no sure answers. We can lock our doors, but they can be kicked in, and our windows can be broken. We have always considered ironic that one of the most popular computer operating systems is called “Windows”.



Hopefully some of the information we are including here is useful to you. However, we again want to emphasize that a key tenet of Callahan Advisors' philosophy is "Communication".

Just as it is critically important that we invest your accounts under our management in accordance with your objectives and your risk tolerance, it is also critically important for funds sent to you by us are exactly as you, and not someone pretending to be you, want. The way we generally do this is that we send such funds to your bank as established by a Money Link tied between your stock account and your bank account.

Thieves are getting more sophisticated. No matter how secure you think your internet is you should assume someone else may have access to your data. We frequently receive emails from a source pretending to be a client. An email may seem like it is from you and may even be written in your writing style with all kinds of your personal information. Consequently, we have had to go to greater lengths to protect our clients from these impersonators. There is really no substitute for calling or physically coming by.

A steadfast rule for us is to know that you are the one actually giving us this instruction, and we are sure that as such impersonators become more sophisticated that one day we will all find that they not only write like you but also sound like you and even look like you.

We all have to be patient with each other as we work together and with your custodians to make sure that all monetary transactions are done the way you intend. **THERE IS NO SUBSTITUTE FOR THIS KIND OF COMMUNICATION!**

If there is one thing that we can all politically agree on is that the most important purpose of our government to keep us safe. Generally this meant our physical security, but more and more we realize that our government should also keep our assets safe from such threats.

We, and you, have to do our part.

As always we are grateful for the opportunity to help you with your investments.