



Why we insist on positive identification before transferring your money

by

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As you might imagine at a financial services firm like ours, many thousands of dollars are transferred monthly for clients. Most of these transfers are completed through electronic funds transfers (EFTs) between your investment account with us and your bank or credit union. These are safe and secure transfers that happen through the Standing Instructions and automatic plans you have set up with us in advance.

We also get many requests per month to make a one-time transfer or wire when something special comes up, like a new car or house purchase, or the need to pay taxes. While these transfers may even be to a bank or credit union that we have on file, when the request comes in by email, we are required to talk to you and verify the transfer. This second verification ensures that funds that are leaving your account are the correct amount, going to the right account, and that you are authorizing this transfer. We realize that this extra step may take some extra time and effort, but it is necessary to safeguard your funds.

Several times a year we hear of some type of scam or hacking that may happen to one of our clients. Here are some tips on how you can minimize the chances that you will be a victim:

- Maintain a separate email account for financial transactions. This is only useful if you don't give this private email address out for routine communication with friends, post it to social media, or for online purchases. Use it only for dealing with your financial institutions for bill paying, money transfers, etc. For super security you can purchase a subscription to one of the newer email services using end-to-end encryption in a country that maintains a high level of privacy & security, like Norway or Switzerland.
- Don't put outgoing mail in your home mailbox. We have heard of situations where mail is stolen and checks are altered to pay out a higher amount to the thief.
- Monitor your mail. Do you know that one in seven people change their address every year? The USPS will accept electronic and mailed applications for address changes without verifying an ID. We heard of a scam this year where someone didn't get mail for several days only to discover that someone else had submitted a change of address for them and was getting their mail, including bank and brokerage statements.
- Don't open emails or click on links from people or organizations you don't know.
- Don't cash checks from anyone you don't know. Your signature might be authorizing a high interest loan.

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- Don't give passwords, Social Security numbers, or account numbers to anyone you don't know.

While we hear of hacks and scams each year, following a simple few rules can help you avoid being a victim of a scam. Please notify us if you do have a password, email, or account number compromised so we can take action to safeguard your accounts with Potomac Financial Private Client Group, LLC.