



Contact:
Patty Highley
Chief Securities Analyst
Idaho Department of Finance
(208) 332-8077

NEWS RELEASE

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**Idaho Department of Finance State-Registered Investment Advisers
to Determine Cybersecurity Vulnerability**
Pilot Project Finds Few Security Breaches

Boise – The Idaho Department of Finance today announced that it is participating in a project to better understand the cybersecurity practices of state-registered investment advisers, which account for more than half of the registered investment advisers conducting business in the United States. Idaho-specific statistics will be available next month.

“The security of confidential information is a critical concern at the department and we are interested in learning more about how issues of cybersecurity impact investment advisers under our jurisdiction,” Director Gavin Gee said.

The survey was developed by the North American Securities Administrators Association (NASAA), of which Idaho is a member.

A pilot project conducted by NASAA this summer found 4.1 percent of responding investment adviser firms had experienced a cybersecurity incident and even fewer, 1.1 percent, had experienced theft, loss, unauthorized exposure or unauthorized use of or access to confidential information. The survey also found that 62 percent of firms have undergone a cybersecurity risk assessment and 77 percent have policies and procedures related to technology or cybersecurity.

“With incidents of cyber-attacks in the financial services industry increasing, I encourage investment advisers registered in Idaho to participate in our survey and take adequate steps to ensure that their cybersecurity policies and procedures are up to date,” Gee said.

The NASAA pilot project surveyed 440 registered investment advisers with assets under management of less than \$100 million in nine states.

The pilot project was designed to help regulators better understand the technology and data practices of state-registered investment advisers; how these advisers communicate with clients; and what types of policies and procedures these advisers now maintain. The pilot project also focused on specific uses of technology and Web sites, with a goal of understanding the safeguards used by state-registered investment advisers to protect client information; to inform state examination programs; and to identify national cybersecurity trends relevant to state-registered investment advisers.

A compilation of the survey results is available on the NASAA Web site at www.nasaa.org.

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