



The text below is an excerpt from the ICI Mutual risk management study *Shareholder Authentication: Managing the Risk of Fraudulent Transactions*. The full study may be accessed at www.icimutual.com/ShareholderAuthentication.

Employee Training and Awareness

Many fund groups train their employees with respect to information security, often at regular intervals. As regards shareholder authentication, such training may assist employees to understand and identify potential threats to transactional integrity. Thus, for example, such training may help employees to identify fraudulent e-mails (including spear phishing e-mails that target specific employees) and other social engineering attempts to conduct fraudulent transactions.

One fund group consulted for this study reported that it provides its customer service representatives with specific training to assist them in identifying potentially fraudulent transactions. Of particular note is the fund group's effort to train representatives not to divulge information that a shareholder should reasonably be expected to already know (such as the shareholder's address or the name of the shareholder's bank)—thereby effectively directing its customer service representatives to be helpful, but not *too* helpful.

About ICI Mutual: ICI Mutual is the predominant provider of D&O/E&O liability insurance and fidelity bonding for the U.S. mutual fund industry. Its insureds represent more than 60% of the industry's managed assets. As the mutual fund industry's dedicated insurance company, ICI Mutual is owned and operated by and for its insureds.