

KEYSTONE

Extra

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Is Your Credit Union Prepared for a Cyber Attack?

CUNA Mutual Group Offers Tips to Prepare

Cyber attacks against U.S. financial institutions are nothing new. However, in 2012, a criminal group launched Distributed Denial of Service (DDoS) attacks against large U.S. financial institutions, including credit unions, to gain attention to their politically-motivated cause. The scale and speed of these attacks were unprecedented.

A CUNA Mutual Group Risk Alert, prepared by Ken Otsuka, Risk Management Senior Consultant, describes the group behind the DDoS, and offers risk mitigation tips.

What is a DDoS?

In the world of Internet banking, Distributed Denial of Service (DDoS) generally refers to an attempt to disrupt or suspend online service by saturating the targeted institution's network with

external communication requests to overload its server. Legitimate users either can't logon, or can't use any services because the system is responding so slowly.

DDoS Strikes are Global Concern

Starting in September 2012, the hacktivist group, Izz ad-Din al-Qassam Cyber Fighters, took credit for launching several DDoS attacks against large U.S. financial institutions and continued their attacks through January. At least two credit unions have been victims of the attacks. The group announced on January 29 that it would suspend the attacks after videos it deemed as offensive were taken down from a U.S. website.

As recently as April 23, the hacktivist group posted in an open forum that more attacks are planned. This is follow-

Six Steps to Prepare for Cyber Attacks

As a financial institution, you are a favored target for cyber criminals. According to a recent study by Ponemon Institute, 64 percent of bank respondents said their institution had a Distributed Denial of Service (DDoS) attack last year.

1. Don't underestimate the threat of cyber attacks.
2. Mitigate the risk of service interruptions by DDoS attacks.
3. Perform due diligence on third-party service providers.
4. Be prepared to provide timely and accurate information to members.
5. Check transfers initiated through online banking when an attack occurs.
6. Have a strong multi-factor authentication method in place for online banking systems.

Details on these steps and the CUNA Mutual [Risk Alert](#), "Are You Prepared for a Cyber Attack?" can be found in the CUNA Mutual Group Protection Resource Center and are available free to CUNA Mutual Group bond policyholders.

ing a week of attacks on eight major financial services firms were affected, including banks that operate in Pennsylvania, such as Wells Fargo, Citizens Bank, and M&T.

So far, the attacks have not been linked to fraud, but officials fear that fraud and other malicious intents are mounting.

At the same time, security firm RSA issued a warning of its discovery of a massive Trojan-based attack planned against 30 U.S. financial institutions by a Russian crime group. The Izz ad-Din Qassam group claims their attacks are not related to the planned Trojan-based attacks. Dubbed "Project Blitzkrieg," RSA reported the Russian group behind the planned Trojan-based attack was actively recruiting botmasters to help launch the attack. The role of the botmasters would be to send spam email containing an infected attachment or a link to an infected website. It is believed the goal of the attack is to initiate fraudulent transfers through the financial institutions' online banking systems.

NCUA's DDoS Alert

The NCUA issued an [alert](#) earlier this year that lists policies and procedures credit unions and other financial institutions should implement to defend themselves against DDoS attacks.

Among the NCUA's recommendations:

- Conduct ongoing assessments to identify risks associated with DDoS attacks;
- Ensure disaster recovery and incident response programs include DDoS attack scenarios that can be tested before, during, and after an attack;
- Perform ongoing due diligence on third-party service providers, especially Internet and Web-hosting providers, to ensure appropriate traffic management policies and controls are in place.

While the NCUA noted that the primary goal of DDoS attacks is to create online disruption rather than fraud, the regulator also notes that DDoS attacks often are used as tools of distraction to veil fraud taking place in the background.

NCUA advised that credit unions should voluntarily file a Suspicious Activity Report if an attack impacts Internet service delivery, enables fraud, or compromises member information. DDoS attacks may also be paired with attempts to steal member funds or data.

The NCUA also says credit unions should brace for DDoS attacks by following the practices and controls outlined in the Federal Financial Institutions updated [authentication guidance](#), which recommends the implementation of member and employee education programs, multifactor authentication for online transactions, and transaction monitoring and verification procedures.

Education & Professional Development

Big Ideas Presents Real-Life Successes

Every credit union leader is looking for a fresh approach to common problems. Where will you find the next big idea to propel you forward? And, how do you nurture an idea from concept to successful implementation?

Discover answers when you join us for the **Big Ideas Conference**, June



18-19 at the beautiful historic Omni Bedford Springs Resort. Join in lively discussion and debate with key credit union leaders from across the country, who have successfully executed strategic moves. Speakers include Chuck Purvis, CEO of Coastal FCU (Raleigh, NC), who has created a culture of innovation, and CEO Stan Moeckli, and Vice President Lisa Farnen of Electro Savings Credit Union (St. Louis, MO), who have generated impressive loan and membership growth on a modest marketing budget. These are people who have wrestled with the same challenges that you face. Learning how others are approaching these opportunities is one of the best ways to provoke your own creativity.

Those who attended last year's first Big Ideas Conference found it to be a valuable experience and worthwhile investment in their credit union's future. Don't miss this year's program. Discussion topics are strategy-oriented and targeted to the leadership perspectives of the CEO and senior managers.

Click here to download [agenda](#).

Convention Countdown

20 Days to Opening Day

Have you registered to attend the Association's 79th Annual Convention & Expo, May 16-18 in Hershey?

You won't want to miss the opportunity to CONNECT with speakers and vendors, presenting the latest information and services to better serve your members and guide your credit union to continued success.

CONNECT with old friends and make some new friends along the way. If you're an "under 35" conferee, CONNECT with the seasoned professionals who can share their experiences and enlighten you on advancing your credit union career. Likewise, credit union leaders are encouraged to CONNECT with the younger attendees, including the 14 Youth Ambassador contestants, as this generation represents the future leadership of Pennsylvania's credit union movement.

[Register today.](#)

Products & Services

Alternative Financial Services

Increase member satisfaction and expand services by offering alternative financial services in your credit union. Examples are:

- Person-to-person remittances
- Payments: walk-in bill payment
- Prepaid cards
- Money orders
- Check cashing

Credit unions may decide to contract with a third party provider experienced in providing these services. Companies like MoneyGram, an Association partner through CUNA's Strategic Alliance Partner Program, have the systems in place to provide compliant solutions for both domestic and international person-to-person remittances. MoneyGram also features a complete payments platform offered through a single interface. When considering outsourcing, a credit union should consider the following:

- Experience in remittance processing
- Compliance and regulatory policies
- Point of Sale system or issuance platform options
- Global and domestic reach, i.e. global agent network
- Brand recognition
- Customer service, both to the credit union and the member

Person-to-person remittances continue to grow among the number of unbanked and underbanked population. Offering alternative financial services will enable credit unions to meet the needs of their members, attract new members, and generate valuable fee income.

For more information, contact your [Account Executive](#).

The Quest for Quality Service with OfficeMax

There's a reason OfficeMax is a trusted alliance provider for CUNA Strategic Services and the Pennsylvania Credit Union Association: its focus is on *your* credit union. Just as credit unions serve members, OfficeMax's first priority is to serve its customers.

Here is a listing of just a few of the services OfficeMax offers:

- Simplified purchasing and payments by using one provider for office supplies, paper, technology products, furniture, and printing services;
- Detailed reporting — with information down to the end user — to help manage expenses across the entire organization;
- No minimum order size to receive free delivery, with most items delivered the next day;
- Reduced pricing on more than 25,000 products and 4,000 environmentally preferable products and services; and
- Credit union-only discounted pricing on furniture, technology, managed print services and in-store items at more than 1,000 OfficeMax retail stores.

In the world of office products, OfficeMax has a unique perspective. It's about more than simply selling supplies. OfficeMax wants to lower *your* credit union's overall costs without sacrificing quality or service.

Join your fellow credit unions around the country that have discovered the many benefits of partnering with OfficeMax to keep their operations running smoothly.

To get started, contact your [Account Executive](#).

Money Mission Makes Financial Education Fun & Games

As Financial Education Month comes to a close, financial education remains a priority as the need continues to grow.

Money Mission™ is an online financial education video game, jointly promoted by CUNA and the Wisconsin Credit Union League. It also is included in the Jump\$tart Coalition for Personal Financial Literacy® Clearinghouse.

Money Mission uses entertaining videos to teach personal finance basics, such as recognizing opportunity

costs and budgeting, to high school students. These lessons are then reinforced through interactive gameplay, which uses external data such as stock market prices and cost of living changes; life event choices; and money management.

For more information about [Money Mission](#) and to register for free webinars on how providing financial education to young adults can benefit your credit union, please [click here](#).

Credit Unions in the News



Mark Brennan, President/CEO, Clearview FCU, presents a check for \$6,240 to Christina Massari, Executive Director for the Western PA/WV Chapter of the Leukemia & Lymphoma Society. Through its Points for Pediatrics partnership with the Pitt Men's Basketball team, Clearview donated \$40 for each 3-point basket by a Pitt player during the season.



Citadel FCU employees participated in the American Cancer Society's Daffodil Days program, continuing a tradition of more than 15 years. From left, employees Donna Malloy, Stephanie Nelms, and Kandie Esterl.

Below: PALCO FCU employees collected items for Shirley Davis, a member who lost most everything in a fire at her home.



First Commonwealth FCU employees Patricia Wehr (left) and Gloria Floyd organize 24 baskets donated by credit union employees to Pinebrook Family Services.



The management team from American Heritage FCU "Celebrates Philly Sports" as part of the credit union's annual Employee Appreciation Day.

Left: Ten Cub Scouts from Troop 252 Tiger Den toured TruMark Financial Credit Union's Parkwood branch in northeast Philadelphia to learn about financial services.

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Events Calendar

May

16-18
Annual Convention & Expo,
Hershey

June

18-19
Big Ideas Conference,
Bedford

August

4-8
Judge/Bradley Leadership
School, State College

Visit www.pcua.org
or contact the
Association's Education
Department for details
on education programs
and webinars.