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Former U.S. Forces Commander in Afghanistan On-Deck for GAC

WASHINGTON – Stanley McChrystal the former commander of U.S. and international forces in Afghanistan will be a featured speaker at the 2015 CUNA Governmental Affairs Conference (GAC). McChrystal is widely praised for creating a revolution in the military that fused intelligence and operations through his no-nonsense, innovative leadership.



"Gen. McChrystal has an outstanding record of innovation, teamwork, and forward-thinking, which will coalesce into a cogent message for credit unions," said Jim Nussle, CUNA President/CEO. "We are delighted that CUNA Councils is sponsoring a new Sunday general session to bring his insights to credit unions; it's an honor to welcome Gen. McChrystal to this year's GAC."

McChrystal has 34 years of service and a remarkable record as a four-star general, former commander of U.S. and International Forces in Afghanistan, and the former leader of Joint Special Operations Command.

The author of *The New York Times* best-selling leadership book *My Share of the Task: A Memoir*, McChrystal shares his experiences serving with many outstanding leaders and the few leaders he learned not to emulate. He paints a vivid picture of the trials and tribulations that led to his successful and innovative, going-the-distance

- › Nightmare of Breach Notifications
- › FHFA-Head to Testify Wednesday Before Senate Banking
- › Daily Movember Men's Health Tip
- › Credit Unions, Mark Your Calendars



Be a Part of Creative You 2015!

We know you have innovative ideas, just like our five teams that took part in the [first year](#) of Creative You!

Get in the game! Creative You is a program designed for credit unions to share their innovative and creative solutions to challenges the system is facing here in New Jersey. It's a collaborative initiative with a competitive element that brings together credit unions and their ideas.

Want more information? Have an idea? Let us know! Fill out the 2015 [Entry Form](#) to submit an idea, sign-up your team, or request to be placed within a team. Please return the form to Barbara

leadership skills.

[Registration](#) is open for the 2015 CUNA Governmental Affairs Conference, set for March 8-12.

The credit union movement's premiere event, the CUNA GAC gathers more than 4,000 credit union supporters and activists in the nation's capital to bring their message to Congress and federal regulators, create awareness about credit unions generally, remove barriers to credit union service for more consumers, and discuss topics and techniques that serve to foster service excellence to credit union members.

The GAC also provides credit union participants the opportunity to network with their peers, attend hot-issue educational sessions and hear from key members of Congress and top federal regulators about the issues facing credit unions.

Additional information about speakers and sessions at CUNA GAC, as well as registration is available [here](#).

Please note: The New Jersey Credit Union League has a limited room block at the Renaissance Hotel available for New Jersey credit unions attending CUNA's GAC. Click [here](#) to access the League GAC Housing page. Enter the access code (case sensitive) Cards2015 to find the League's block of rooms at the Renaissance Hotel to make your reservations.

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Tomorrow: Catch Atlantic FCU COO Daniel Czerniawski on 'One-on-One with Steve Aduato'

HIGHTSTOWN, N.J. – Be sure to tune in to the popular public television show "One-on-One with Steve Aduato" this week to catch the appearances of a New Jersey credit union professional and a New Jersey Coalition for Financial Education (NJCFE) leader!

Tomorrow, catch Atlantic FCU Chief Operating Officer Daniel Czerniawski on the show talking about credit and debt. Tune in on channel WNET at 12:30 a.m. and on NJTV at 7 p.m.



Agin at pagin@njcul.org by December 22, 2014.

All of the details for the 2015 round of Creative You are available [here](#).

Upcoming Events:

November 18, 2014
VirtualCorps Webinar: The Affordable Care Act -- Gifts and "WRAPS"
3:00 pm to 4:00 pm
[More Information Click Here](#)

November 18, 2014
Free CU Solutions Webinar: Work in the Future -- Google Apps for Credit Unions
3:00 pm to 4:00 pm
[More Information Click Here](#)

November 19, 2014
Decedent Accounts: Handling Deposit Accounts & Loans When a Member Dies
Location: NJCUL and via Video Conference
10:00 am to 3:00 pm
[More Information Click Here](#)

Contact Us:

Address

299 Ward Street
Hightstown, NJ 08520
Driving directions

Phone

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Then, catch NJCFE Executive Director Michael Drulis the following day, Wednesday, November 19th, on channel WNET at 12:30 a.m. and on NJTV at 7 p.m. Drulis talks about good debt vs. bad debt.

If you missed Healthcare Employees FCU President/CEO John Dawidowski on the show this week, check out the clip on NJCUL's [YouTube channel](#).

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Data Security Professional IDs Shortcomings at FIs

ARLINGTON, Va. – Many credit unions employ data security testing, but one expert says the testing might not be cutting it. Tom Schauer, CEO of TrustCC, a security company serving financial institutions, addressed several concerns at the inaugural Credit Union Cybersecurity Symposium Friday in Arlington, Va., an event hosted by the National Association of State Credit Union Examiners (NASCUS) and CUNA.

Traditional data security testing consists of an analyst sending phishing e-mails with bogus links to staff and officers, and then accessing the financial institution's network to search for vulnerabilities.

This limited approach to analyzing security gives management a false sense that there are only a few vulnerabilities that could be exploited.

Schauer told his credit union audience that management's response to bad tests results pretty typically is: Human resources has a lot of work to do to train employees to look for social engineering attacks.

However, credit unions, he said, would be better served with more dynamic testing that more accurately simulated a hacker's approach.

"Here's the thing," Schauer said, the test is not a realistic simulation of how a hacker would attempt to gain access, a real hacker would be stealthy and invisible, covering his tracks as he infiltrates a network.

Companies like Schauer's perform a test that is much closer to reality, one where they are not supplied with any employee information or access beforehand.

This approach first uses a fictitious LinkedIn account of "an attractive female" human resources (HR) recruiter. The profile will connect with individuals at the credit union being tested, and most will accept the invitation, thinking it a networking opportunity.

"Our fake account has 400 first-degree connections and several thousand second-degree connections, all in the financial industry. A paid LinkedIn account lets you access the e-mail addresses of all first- and second-degree connections," he said, adding, "So now it's super easy for us to harvest e-mail addresses of our client credit union, without them giving us any information."

Then Schauer and his group will send an e-mail to four employees at a time, minimizing the chance of the fraud being discovered. The e-

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mail will supposedly be from someone in HR and will ask them to click a link.

If they don't get a response, they'll often start reaching out to employees via phone, saying they are from information technology (IT) and need employees to run a "diagnostic tool" to check for malware, giving them access to that employee's workstation.

Once they have access to the workstation, they will escalate attacks, measuring how well the credit union is protected from incidents.

For one credit union in Virginia, Schauer sent an e-mail purporting to contain a five-question survey about the effects of the Affordable Care Act on individual benefits. To top it off, participants in the survey are promised a Starbucks gift card for their trouble.

The credit union's chief financial officer directly infected two work stations with malware, after the gift card site said, "If this site is not working, try it on another computer." In addition, several employees called the IT department and were told the e-mail was completely legitimate.

Schauer and his company got full administrative access in 75 minutes.

According to Schauer, in 2013 this type of testing allowed them to breach a network 63% of the time, access sensitive data 79% of the time, and give them full administrative access 58% of the time.

Their 2013 testing saw 25% of employees falling for the fake e-mail, and an average of 60 to 75 minutes to obtain full administrator access.

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NJ DNA Holds Final Meeting of 2014 at the League Office

HIGHTSTOWN, N.J. – On November 12, the last warm evening of the season was also the final meeting date for this year's NJ DNA Group.



The meeting was hosted by Lakehurst Naval FCU Board Chairman Pam Elliott and began with a video tour of the credit union by CEO Phyllis Zarko.

The group enjoyed a delicious meal with a nice selection of homemade desserts.

The discussion topics were how large asset credit unions can

effectively collaborate with smaller asset credit unions to enhance product delivery and keep the credit union brand strong, and protecting your credit union in the digital age (Cyber Security).

At the conclusion of the meeting, the 2015 proposed dates were shared as follows: Feb. 11, May 13, Aug. 12 and Nov. 10, 2015. A sincere thank you to Lakehurst Naval FCU for hosting our meeting!

Look for discussion details and more in the November edition of *The Exchange*, which will be released next week.



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NCUA to Incorporate More FFIEC Cybersecurity Guidance into Exams

ARLINGTON, Va. – An assessment conducted over the summer by the Federal Financial Institutions Examination Council (FFIEC) to evaluate financial institutions' preparedness to mitigate cybersecurity risks could have a bearing on future NCUA examinations.

That is according to Tim Segerson, deputy director of the agency's Office of Examination and Insurance, who spoke at the inaugural Credit Union Cybersecurity Symposium about the approach the NCUA is taking when it comes to the increasing threat of cyberattacks.

While the NCUA's current program remains policy, Segerson said that since cybersecurity is among the top priorities for the agency every year, it could have an increased role in how it looks at credit unions.

"Right now we are not making radical changes to our process. Our goal here is to be efficient and effective. And part of what we want to do is make sure that whatever we do is well-coordinated with our counterparts in the banking system," he said. "We are essentially working to align the changes we plan with our banking counterparts, and we're in the process evaluating what we worked on this summer, developing a game plan to go into 2015 and beyond based on that assessment."

The [assessment](#) included more than 500 financial institutions, and according to Segerson, credit unions made up more than half of those institutions.

The NCUA prepares a list of areas it plans to focus on at the start of each year, and according to Segerson, cybersecurity was No. 2 for 2014.

"I expect cybersecurity will be a part of that list in 2015 as well," he said, adding that the agency is looking at moving toward a more

comprehensive cyber review process.

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Don't Miss Tomorrow's VirtualCorps Webinar on the Affordable Care Act and How it Affects CUs

**VirtualCorps Webinar:
The Affordable Care Act-Gifts and "WRAPS"
3 p.m. to 4 p.m.**

VirtualCorps.com™

The Patient Protection and Affordable Care Act (ACA) is the most sweeping piece of legislation to be passed in 50 years. In time, it will impact in one way or another every financial institution, every employee, and every client. As financial institutions struggle to comply with the requirements of the ACA and meet the expenses associated with this legislation, few have looked into how the ACA will impact their clients and explore the potential marketing and profitability opportunities the ACA presents. Tuesday's VirtualCorps Webinar 'The Affordable Care Act-Gifts and "WRAPS"' covers two aspects of the ACA pertinent to credit unions: (1) Marketing and Revenue Opportunities; and (2) Audits from the Department of Labor.

Opportunities for CUs:

- Learn how the ACA could impact clients' finances in the short and long term
- Learn of potential impacts to financial institutions as a result of clients' shifting finances
- Understand how the insurance and planning needs of clients will shift and how financial institutions can fill those needs
- Have an idea of potential services or products that will become important to clients as a result of the ACA and how such services could add profitability to the financial institution
- Learn how providing ancillary services and products that are directly and indirectly attributable to the ACA can benefit financial institutions and create deeper client relationships

Presented by: [Dennis Child](#) and Gary Lee Fischer

Time: 3 p.m. to 4 p.m.

Cost:

Live Webinar Only: \$99

Recorded Version Only: \$99

Live Webinar & Recorded Version: \$125

Registration

To register and pay by check, email

Mary Zelinsky at mzelinsky@nicul.org and your credit union will be

mary Zernsky at mzernsky@njcul.org and your credit union will be invoiced. To register and pay online, click [here](#).

EDUCATION CANCELLATION POLICY: NJCUL must receive written cancellation in our office seven (7) days prior to the education session in order for you to receive a refund; substitutions only after this date. All cancellations will be subject to a \$25 cancellation fee.



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Free Webinar Tomorrow from CU Solutions Group: Google Apps for Credit Unions

From their first search in 1997, to the introduction of Android and their work on self-driving cars, Google is always thinking ahead about what work, life and play looks like in the future.

During a free Webinar on November 18th, in conjunction with CU Solutions Group and Sprint, Serena Donovan, Account Executive for Google for Work, will cover what Google's vision for work in the future looks like, and how cloud technology is helping credit unions to collaborate more, embrace mobile in the workplace, and scale their business.

The 60-minute webinar will cover:

- How to deploy and migrate on to Google Apps for Work
- Life after file servers and the C: Drive - using cloud storage and real time collaboration
- Increasing credit union and member engagement with Google tools
- The real cost of email: increasing productivity through better email and communication management
- Stories about financial institutions who have Gone Google
- The Sprint/Google partnership: how Sprint can help
- Q&A

This free event will be on **Tuesday, November 18th at 3:00 p.m. EST.**

To register, click [here](#).

Once registered, an automated email will be sent to you with a calendar link. You will also receive several reminder emails prior to the event.



Patchwork Quilt of State Laws Makes for 'Legal Nightmare' of Breach Notifications

ARLINGTON, Va. – While a data breach of a credit union brings with it a number of headaches for the institution and its members, proper notification can be a "legal nightmare" due to the varying laws around the country. Several legal experts spoke on the topic at the Credit Union Cybersecurity Symposium in Arlington, Va., last week.

A data breach is generally defined in the legal community as "the unauthorized acquisition of personally identifiable information that compromises the security, confidentiality, or integrity of personal information or processes managing personal information," a definition built from the most common language used by states.

"The notification requirements are the fundamental difference between a breach and an incident," said Ian Harper, a cybersecurity professional and former chief information officer at a credit union. "When we talk about a breach, what we talk about is an event that requires you to notify the individual whose private information has been compromised about the fact that their information has been not necessarily made public, but you've lost control of it."

NCUA's position on member notification is "if a credit union determines that misuse of its information about a member has occurred or is reasonably possible, it should notify the affected member as soon as possible."

The NCUA defines sensitive member information as "a member's name, address or telephone number, in conjunction with the member's Social Security number, driver's license number, account number, credit or debit card number, or a personal identification number or password that would permit access to the member's account."

Forty-seven states, as well as the District of Columbia, Puerto Rico, Guam, and the Virgin Islands, have breach notification laws, with Alabama, New Mexico, and South Dakota being the exceptions.

In addition, 24 have standard definitions of privacy information, 27 have additional privacy information definitions to consider, 41 allow for risk analysis prior to notification, 22 require notification of the state's attorney general, seven require notification within a given timeframe and each state has different required information required on a notification letter.

Randy Gainer, an attorney who represents victims of data breaches, estimated that credit unions that have been breached should be prepared to pay for notification costs (which average \$2.3 million per breach), credit monitoring costs (which average \$5.5 million per breach), regulatory fines, and more.

According to Harper, a financial institution's vulnerability to legal action opens as soon as members are notified.

"If you have to publicly announce or provide notification to an individual, expect a class action lawsuit, at least one," Harper said.

"That's pretty much standard fare with a data breach."

The inaugural Credit Union Cybersecurity Symposium was hosted by the National Association of State Credit Union Supervisors (NASCS) in partnership with CUNA.

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FHFA-Head to Testify Wednesday Before Senate Banking

WASHINGTON – Federal Housing Finance Agency (FHFA) Director Mel Watt will testify before the Senate Banking Committee Wednesday. Watt will be the sole witness at the hearing, titled "The Federal Housing Finance Agency: Balancing Stability, Growth and Affordability in the Mortgage Market."

The hearing will be Watt's first before the committee since being named FHFA director in January.

A report from HousingWire cites a source that believes "lawmakers on both sides of the aisle will use this hearing to share a number of policy concerns from both ends of the political spectrum with Director Watt."

Per the report, Republicans are likely to share concerns with agency efforts to increase mortgage availability, while Democrats are expected to chide Watt for not acting aggressively enough to expand the FHFA's credit box.

The hearing is scheduled to run from 10 a.m. to noon (ET) and will be streamed live on the committee's Web site. It will also include nominations for two positions.

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Daily Movember Men's Health Tip

MANAGE YOUR STRESS

Stress, particularly long-term stress, can be a factor in the onset or worsening of ill health. Managing your stress is essential to your health and well-being.

Take some time out to reflect on what will make you feel better and do something you enjoy whether it's sports, watching a movie or hanging out with your friends, get out there and have some fun!

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Credit Unions, Mark Your Calendars

HIGHTSTOWN, N.J. – The New Jersey Credit Union League would like you to mark your calendars for these upcoming events:

NJCUL Education

November 18 -- [VirtualCorps Webinar: The Affordable Care Act-Gifts and "WRAPS"](#)

November 18 -- [BSA Training for Frontline Staff \(AM Session\)](#)

November 18 -- [BSA Training for Frontline Staff \(PM Session\)](#)

November 19 -- [Decedent Accounts: Handling Deposit Accounts and Loans When a Member Dies](#)

December 10th -- [Creative You Information Session](#)

Industry Events

November 18 -- [Free CUSolutions Webinar: Work in the Future - Google Apps for Credit Unions](#)

November 20 -- [Southern Chapter Meeting: Holiday Gathering](#)

November 20 -- [First Financial Foundation Fundraiser at Surf Taco Locations](#)

December 9 -- [South-Central Chapter Meeting: Networking/Christmas/Holiday Gathering](#)

December 11 -- [North-Central Chapter Meeting: Allowance for Loan Losses](#)

2015

March 8-12 -- [CUNA's 2015 GAC](#)

April 13-15 -- [CU Reality Check at the Golden Nugget Hotel & Casino in Atlantic City](#)

April 28 -- [NJCUL's 27th Annual Golf Tournament](#)

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