Security Spotlight: Vendor E-mail Compromise

You receive what you believe is an e-mail from one of your vendors a couple of weeks prior to a deadline for payment of services rendered. This e-mail provides you with new instructions on where and how you should submit the payment. What do you do?

1) Update your records with the new information right away—you really like this vendor and want to demonstrate a good payment history as you want to work with them in the future.

2) Call the sender based on the contact information in the e-mail that was JUST sent to you to verify the update and, once verified, update your systems accordingly.

3) Call a vendor contact based on information you previously received to verify the requested change and, if verified, update your systems accordingly.

What Is Vendor E-mail Compromise?

Recently, an attack known as “vendor e-mail compromise” has become more popular and more effective. Vendor e-mail compromise is when criminals use lookalike domains or e-mail spoofing techniques to trick your employees into thinking that they are communicating with a trusted contact at a vendor they communicate (Continued on page 2)

Upcoming Holiday

The pool will be closed on Monday, May 31, for Memorial Day. EON will be available but the system will not allow transactions to settle on the holiday.

Interest Rates

<table>
<thead>
<tr>
<th>Average Annualized Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
</tr>
<tr>
<td>Interest Rates</td>
</tr>
<tr>
<td>April 1–30</td>
</tr>
</tbody>
</table>
with on a regular basis. This may prompt employees to reveal sensitive information, submit payment to unauthorized parties, or give unauthorized access to your network.

E-mails that appear to come from a trusted source, such as a vendor contact, result in an employee being more likely to consider these e-mails as legitimate and may respond, click on links, and open attachments, rather than mark the e-mails as spam or junk or delete them.

How Can You Guard against This Attack?

A large part of cybersecurity is employee awareness and education. This can help protect organizations from vendor e-mail compromise, in addition to phishing attempts, business e-mail compromise, and other social engineering attacks. By providing employees with tips to spot or prevent an attack through commonsense methods, your organization can avoid falling prey to an attack:

- Check the domain name in the sender’s e-mail address to help ensure it was sent from a trusted source. Common tricks for lookalike domains include using a zero (0) instead of the letter “O,” using the letters “rn” instead of “m,” and using a capital “I” in place of a lower case “l.”

- Confirm the e-mail with a trusted contact before taking any action. Call a vendor contact based on information you previously received from the vendor to verify the requested change and, if verified, update your systems accordingly. (Correct answer to “What do you do?” from above.)

- Use multi-factor authentication whenever possible, especially for sensitive accounts or money movement.

- Focus on looking for anything suspicious or out-of-the-ordinary such as a sudden business protocol change, sense of urgency, or typos.

- Do not click links in e-mails. Instead, visit the vendor’s website and log into your account from that site. This helps to ensure you are accessing the correct website.

What Can You Do If You Fall Victim to a Vendor E-mail Compromise Attack?

If you or an employee fall victim to a vendor e-mail compromise attack, there are a few measures your organization can take to try to minimize the damage (coordinate with your IT security staff and follow your organization’s established procedures):

- Run anti-virus and malware scans.

- Change all passwords and security questions immediately.

- Contact the vendor to inform them of the fraud.

- Notify all financial providers and place stop payments on any payments authorized to the scammers.

- Contact law enforcement to report the incident.

- Conduct post-incident cybersecurity training.

Although nothing is foolproof, and even the most rigorous cybersecurity program may still be at risk for cybersecurity attacks, promoting employee awareness and education on topics like vendor e-mail compromise attacks can help reduce the risk of a cybersecurity attack.
LGIP Redemptions: Wire Transfer vs. ACH
Participants have two options when redeeming (withdrawing) funds. Understanding the differences between wire transfer and ACH will help you best meet your business needs.

<table>
<thead>
<tr>
<th>Wire Transfer</th>
<th>ACH</th>
</tr>
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<tbody>
<tr>
<td>Can settle as soon as same day (must be initiated by 10:00 a.m.)</td>
<td>Can settle as soon as next business day (must be initiated by 1:00 p.m.)</td>
</tr>
<tr>
<td>Same-day wire transfers cannot exceed $1.5 million (no dollar limit for future-dated wire transfers)</td>
<td>No dollar limit</td>
</tr>
<tr>
<td>$10.00 fee per transaction</td>
<td>$0.05 fee per transaction</td>
</tr>
</tbody>
</table>

If you need to redeem funds immediately, wire transfer is the only option available (please note that same day wire redemptions cannot exceed $1.5 million). If you do not need funds the same day, ACH may be the best option given its lower cost. Both types of transactions can be scheduled up to almost a year in advance. Contact PFM Client Services at 855.OST.LGIP or csgwestregion@pfm.com if you have questions about which redemption option best meets your needs.

Recognizing Public Service
Each May, we take the time to observe Public Service Recognition Week and to honor the thousands of public employees who are committed to serving Oregonians. While you will be reading this after the official recognition week, I wanted to thank you for the work you do to make Oregon such a great place to live.

Public service is a responsibility and a privilege. Challenges over the last year have asked a lot of public servants. Many of you had to quickly transition to working from home, or to pressing on in work environments that looked very different. Parents had to adapt to virtual schools while juggling work responsibilities. Both professionally and as neighbors and friends, you stepped up to care for fellow Oregonians who evacuated their homes during the devastating wildfire season; to support community members affected by the ice storm and power outages; and to help people in search of assistance, information, and vaccines. In large ways and small, despite uncertainty and change, you have all done your part to help Oregon meet the demands of a very demanding year while keeping the wheels of government turning.

Your commitment to lifting up Oregonians through all of this is remarkable and very much appreciated. Thanks for serving the place we all love.

Tobias Read
State Treasurer
Oregon Short Term Fund Analysis

<table>
<thead>
<tr>
<th></th>
<th>Nov 2020</th>
<th>Dec 2020</th>
<th>Jan 2021</th>
<th>Feb 2021</th>
<th>Mar 2021</th>
<th>Apr 2021</th>
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<tbody>
<tr>
<td>TOTAL OSTF AVG DOLLARS INVESTED (MM)</td>
<td>27,039</td>
<td>27,075</td>
<td>26,948</td>
<td>26,813</td>
<td>26,212</td>
<td>27,154</td>
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<tr>
<td>STATE GOV PORTION (MM)</td>
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<td>15,116</td>
<td>15,816</td>
<td>15,910</td>
<td>15,564</td>
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<td>LOCAL GOV PORTION (MM)</td>
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<td>OSTF ANNUAL YIELD (ACT/ACT)</td>
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<td>0.75</td>
<td>0.75</td>
<td>0.75</td>
<td>0.60</td>
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<tr>
<td>3-MO UST BILLS (BOND EQ YLD)</td>
<td>0.076</td>
<td>0.071</td>
<td>0.052</td>
<td>0.038</td>
<td>0.018</td>
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<td>3-MO US CD (ACT/360)*</td>
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<td>0.10</td>
<td>0.09</td>
<td>0.09</td>
<td>0.08</td>
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NOTE: The OST ANNUAL YIELD represents the average annualized yield paid to account holders during the month. Since interest accrues to accounts on a daily basis and the rate paid changes during the month, this average rate is not the exact rate earned by each account.

3-MO UST BILLS yield is the yield for the Treasury Bill Issue maturing closest to 3 months from month end. 3-MO US CD rates are obtained from Bloomberg and represent a composite of broker dealer quotes on highly rated (A1+/P1/F1+ from Standard & Poor’s Ratings Services, Moody’s Investors Service and Fitch Ratings respectively) bank certificates of deposit and are quoted on a CD equivalent yield basis.

This material is available in alternative format and media upon request.

Market Data Table

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<th>12 Months</th>
<th>4/30/2021</th>
<th>1 Month</th>
<th>1 Months</th>
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<td>0.28</td>
<td>0.28</td>
<td>0.31</td>
<td>0.36</td>
</tr>
</tbody>
</table>

Sources: *Bloomberg Index Services, **Bloomberg

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