

CORE Comments

ON PLANNING AND INVESTING FOR THE TWENTY-FIRST CENTURY

January 14, 2023

Dangerous emails... ...Be cautious, be suspicious

I write to warn you of a dangerous uptick in emails and other attempts by bad actors to use the internet for theft and mayhem. The computers and emails of two Core clients have very recently been hacked; both instances required costly repairs. The prevalence of so-called ‘phishing expeditions,’ whereby a bad actor uses apparently safe emails to get into one’s systems, grow ever more frequent. These act by persuading the innocent recipient to open or click on an attachment or hyperlink; the malign attachment then takes control of one’s computer or certain functions.

Apart from attempts to obtain access to bank accounts or the like in order to steal, the worst of all these are the so-called ‘ransom-ware’ attacks, that shut down systems until a sum of money—often quite large—is paid to the malefactor. These are often directed to individuals within large organizations, hospitals, manufacturing facilities and others. In such episodes, an apparent email from a trusted colleague contains the dangerous attachment that the unsuspecting receiver opens. Then systems are locked until the bad guy receives a lot of money. Such ransom-ware attacks are also directed against individuals. No fun.

Often one can often detect such bad emails by looking at the identity of the sender. Though an email may purport to have come from Microsoft and relate to one’s email system, the sender’s email address, if shown, is from a spurious and dangerous address. It is always a good idea to confirm that the sender is someone trustworthy before doing anything with an email. I recently began to receive emails purportedly relating to phone calls I had not answered, inviting me to listen to the messages by clicking on an attachment. Because Core is registered as an investment firm and because my email address is public information, I receive a lot of malign emails every day. I click ‘delete’ through these, then empty my deleted emails frequently.

Having said that one can often detect malicious emails by looking at the sender, please note that malefactors can be quite clever. In an instance of malware that attacked the computer of a Core client, the email appeared to come from Schwab, with a link to be clicked to perform a useful act. The email had not, in fact come from Schwab, but it was very artfully designed. I did not realize, when I saw the email, that it was a malignant one until Margo pointed out the deception. It is best not to try to enter the website of a bank or broker except through the bank’s or the broker’s own website or app. Avoid using an email that purports to be from the bank or broker.

By

Jack Mayberry

We recently changed our post office box in Sausalito to PO Box 866.

There is plenty of information available on the internet relating to malign emails. In simple terms, my suggestion is to regard with suspicion any email that is not from a regular correspondent and, in particular, to regard any suggestions to click on an attachment or link as likely to be dangerous. Safety first!

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A new entry in the realm of investment risks emerges. The somewhat amusing but mostly grim charade in the House of Representatives last week as the new Speaker of the House was finally elected points very clearly to an additional and serious risk. The twenty or so extremists in the Republican caucus who held Kevin McCarthy hostage railed very clearly and vociferously against the inevitable and necessary increase in the federal debt ceiling. The legislation that sets the limit on the total federal debt the Treasury Department may service is anachronistic at best. Federal spending and federal revenues are both established by Congress; with the exception of the latter years of the Clinton administration, the federal government has long spent more than it takes in, causing the total level of outstanding debt to rise. When that level reaches the previously enacted limit on total debt, we say that the debt limit has been reached. Then, the level needs to be raised.

Last week, those members who held up McCarthy's election as Speaker made sharp cuts in spending the price to be enacted for raising the debt ceiling. The United States government is sometimes characterized as a large insurance company with a standing army. That is, the largest elements of federal spending are two-fold: the 'insurance payments,' i.e., Social Security, Medicare and Medicaid, and defense spending.

In reality, Congress cannot and will not agree to cut either of these. Thus, the demands of the 'Gang of Twenty,' if we may call them that, are impossible to meet. However, it is pretty clear that, after last week's antics, that there will be a lot of *Sturm und Drang* later this year when the time comes to raise the debt ceiling. Recent episodes included that in the summer of 2011, when the Tea Party (remember them?) held up things for a spell, during which time, the stock market fell by 18 percent. Thus, as we contemplate investment risk, we should add this one; it will enliven (or deaden) what promises to be a difficult year in the stock market.

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