

# Privcap / Transcript

## Cybercrimes Can Hit Real Estate Funds and Assets

### **Jay Morgan, StepStone Group:**

We see people who are constantly getting phishing emails sent to them. We've actually experienced that internally, where wiring instructions, or re-written wiring instructions, come in on a daily basis, and people can fall for that, particularly if you bring new people into the controller position. They see what looks like a completely legitimate set of wiring instructions, and all of a sudden cash is moving in a way that you wouldn't expect. It doesn't happen to bigger firms, but it can easily, and has happened, in some of the smaller firms.


### **Nathaniel Ruey, RSM US LLP:**

It's becoming more and more sophisticated: the social engineering with the phishing emails, knowing the firm's name, maybe changing a letter in the email address, knowing who the key stakeholders are, coming up with scenarios to transfer money. We've had clients that fell prey to that, but the forgotten thing as well is even just with the underlying buildings and assets. The oversight that might be done at the back office, might not be done at the building management system. And those are easier targets. There's a hack that happens there, it can get into the tenant network. Could be able to take down the servers for the buildings, have ability to take control of PA systems or elevators, things that you could really do some very malicious things with.

### **Russell Appel, The Praedium Group:**

I think that's interesting, because clearly, part of the discussion that we've been having revolves around the fact that investors trust funds with a lot of money, and that we have a responsibility. We want to make investments, but of course we also want to make sure we protect investors. But, as a manager of a firm, we also own all this real estate. We have responsibilities to our tenants, and we need to make sure they're safe. And, of course, we have

employees that work for us, and make sure that we do the right thing by them, too.



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