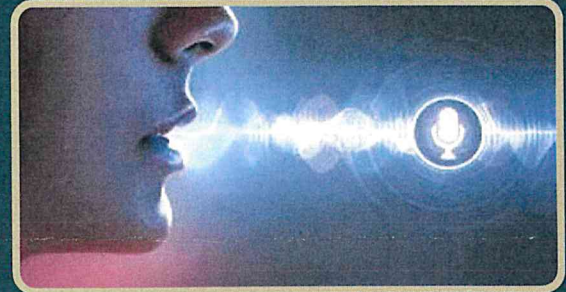




FRAUD PREVENTION

The latest scam is Artificial Intelligence (AI) voice imitation. It seems to be getting harder than ever to differentiate between what is real and what is fake.



AI Voice Cloning: The Newest Cyber Scam

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It seems to be getting harder than ever to differentiate between what is real and what is fake. We've been alerted to deceptive callers asking for our personal and financial information as well as fraudsters or "bad actors" emailing us with false claims and requests, also trying to obtain our personal information.

The latest scam is Artificial Intelligence (AI) voice imitation.

The Federal Trade Commission recently issued a consumer alert warning about scammers targeting certain family members, particularly grandparents, with fake phone calls from other 'so-called' family members. Often, these tricksters take advantage of close relatives to convince them to send money.

You've probably heard in the news about grandparents getting a call from their 'supposed' grandchild saying they are in another state broke down and need some money right away. The grandparent -- recognizing the voice and wanting to assist -- will hastily jump at the chance to help the child out by sending money in accord with the instructions the 'grandchild' directs. Fraudsters are using artificial intelligence to impersonate nearly anyone.

Fraudsters are using artificial intelligence to impersonate nearly anyone. Cyber-criminals, with very little effort, can now clone anyone's voice. Some will imitate your banker's voice or a professional you are working with posing questions they probably should already know.

Impersonation scams have been a problem for years, particularly targeting older individuals. Is there an antidote?



Andrew Will, a senior manager at Schwab's Financial Crimes Risk Management division says to use "a healthy dose of skepticism! If you get a call and something seems off, trust your gut and call the person back at a number you know is theirs."

Peter Campbell, also from Schwab's Financial Crime Risk division, says there is some good news with all this: "While AI (voice) may be good enough to trick the human ear, the technology and tools available to large organizations like Schwab aren't so easily fooled since they analyze discrete speech markers. Nevertheless, you should report any unusual calls or account activity as soon as possible. Schwab's Security Guarantee offers to 'cover losses in any of your Schwab accounts due to unauthorized activity.' "

Southern Capital Services, Inc. takes your private information very seriously. Steps are taken to ensure we are speaking with you, like verifying personal information. Please be patient with us in asking these questions; they are to protect you and your money.

As you know, we DO NOT and CANNOT take any money or trading requests from emails or voicemails. We need to speak verbally with you.

On the other hand, if you receive a call from us and you feel uncomfortable giving your verification information, hang up and call us back. Make sure no one has cloned our voices as well!

All 1099s from both TD Ameritrade and Schwab have been released. You can find them on your Schwab Alliance website. Some of you have opted for mail, so they should be forthcoming if you haven't already received them by now. If you have any questions, please feel free to call Morgan at 251.626.1140 ext. 1.

Here are some ideas to help protect yourself from AI voice-cloning scams:

- 1. Fact-check with the caller and verify who they care. You could try obtaining their phone number and other information to report as fraud if necessary.**
- 2. Hang up! If you happen to pick up a call from an unknown number and it sounds like a panicking family member, end the call; then phone or text that person back with the number YOU have for them.**
- 3. If it's your bank, lawyer, doctor, or any financial professional, don't necessarily believe their claims or answer their questions. Instead, bow out of the call quickly and call the institution or professional back on the phone number listed on their qualified website or the number you have for them.**
- 4. Don't talk much with these scammers. If they have a long clip of your voice, they, too, may try to clone your voice as well.**
- 5. To avoid family scams, have an unusual family keyword to use in the conversation that only the family would understand.**



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