



California State Treasurer's Office **NEWS RELEASE**

FOR IMMEDIATE RELEASE

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Contact: [Newsroom](#)
(916) 653-2995

State Treasurer Fiona Ma, Law Enforcement Agencies Foil Multi-Million Dollar Cyber Attack on Investment Funds and Alerts All State and Local Agencies to Review Their Security Protocols to Protect Against Cybersecurity Attacks on Investment Funds

SACRAMENTO – State Treasurer Fiona Ma, working with law enforcement agencies including the Federal Bureau of investigation (FBI), today announced her office has foiled a cybersecurity attack that would have resulted in the loss of tens of millions of dollars to a small Southern California City. Treasurer Ma alerts all state and local agencies to review their security protocols in respect to monetary investments. The name of the City in the state's Local Agency Investment Fund is not being released at this time, as this is still an active investigation.

Based upon the Fund's procedures, and the due diligence of the Treasurer's team, the Treasurer's Office flagged the fraudulent request to transfer funds and refused to process the request. The Fund's participant's network was immediately secured. There was no financial impact to the participant or LAIF.

"In the end nothing is safer than the human touch. That is why we do hands-on reviews of all requests that come through our office," Treasurer Ma said.

Since the attack, Ma has contacted participants in the Fund, alerting them to maintain heightened awareness and encouraging them to review their security protocols. The Treasurer's Office has also added additional security measures to its own security protocol, even though its existing protocols worked as designed to stop this attempted cybercrime.

Every day, the State Treasurer invests the state's idle funds, as well as the funds for 2,400 local government entities and special districts, in the state's Pooled Money Investment Account. This particular fund offers local agencies the opportunity to

participate in a major portfolio using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. Clients maintain control of their assets and can deposit and withdraw funds as needed within program parameters.

Information related to this incident and investigation may be reported to the California Department of Justice at <https://oag.ca.gov/contact/general-contact-form>.

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Fiona Ma is California's 34th State Treasurer. She was first elected on November 6, 2018, with more votes (7,825,587) than any other candidate for treasurer in the state's history and reelected on November 8, 2022. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Presently, her office processes more than \$3 trillion in banking transactions. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio that currently averages over \$200 billion—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.

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