



## Board Report 23-35

Date: November 6, 2023

To: Board of Deferred Compensation Administration

From: Staff

Subject: Cybersecurity Information

### Board of Deferred Compensation Administration

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### **Recommendation:**

That the Board receive and file staff's update on cybersecurity.

### **Background:**

At its meeting on August 29, 2023, the Board requested information related to cybersecurity controls around DCP systems and vendors. A discussion of cybersecurity risk management and strategies was provided to the Board on May 21, 2019 in Board Report 19-18, with presentations from Segal Consulting and Voya. The topic was a key issue at the 2022 NAGDCA Conference as well, leading to a review of relevant contracts with vendors who have access to sensitive participant information. As a result of the conference learnings, staff incorporated messages encouraging participants to register their online accounts as a means of protecting their digital identity. In Voya's most recent contract renewal, staff ensured that performance guarantees and liabilities continued to be included to protect the City from internet crime. Additionally, Voya's contract also includes protections for Schwab's Self-Directed Brokerage Accounts.

### **Discussion:**

#### **1. Department of Labor Best Practices**

The United States Department of Labor (DOL) provides a list of [Cybersecurity Program Best Practices](#), noting that the responsibility of plan fiduciaries is to "ensure proper mitigation of cybersecurity risks." Additionally, the DOL encourages the use of Online Security Tips, many of which are being incorporated into DCP Communications, such as reminding participants to update contact information and beneficiary information, checking accounts regularly, and using multi-factor authentication.

## 2. Voya Practices and S.A.F.E® Guarantee

Recently, Voya has implemented various cybersecurity upgrades to enhance participant protection. In November of 2022, Voya launched its Voice Print system that runs a participant's voice through a digitizer and generates hexadecimal numbers to represent the participant's Voice Print. In July of 2023, Voya standardized the use of Multi-Factor Authentication (MFA) on all accounts, requiring participants to receive and enter a one-time passcode sent to their mobile phone number to authenticate that the correct individual has logged into the account. Those without a phone number on file were requested to add one to their account. In September of 2023, Voya hosted a live webinar titled "Cybersecurity and recordkeeping best practices in the digital age." One of the features highlighted is Voya's S.A.F.E® Guarantee, which states that any assets taken from a participant's Deferred Compensation Plan account due to unauthorized activity and through no fault of their own, Voya will restore the value of your account.

Voya has provided a review of its cybersecurity practices in **Attachment A**.

## 3. City of Los Angeles Cybersecurity Policy

As it pertains to the DCP, the City's Information Technology Agency (ITA) manages cybersecurity protocols for the City, adhering to the City of Los Angeles Information Security Policy Manual, last updated on March 24, 2021. Any cybersecurity incidents are reported to ITA to investigate and respond. ITA regularly provides cybersecurity updates and reminders for employees, using its Cyber Office Hours Sessions to cover secure habits, recognizing and reporting incidents. Most recently, ITA reviewed its Policy Manual during its Cyber Office Hours Session on October 26, 2023. Sessions are recorded and employees can access the slide decks from ITA's Training Portal. Cybersecurity training is required for all employees annually and can be made available to the Board.

Additionally, each department has its own cybersecurity officers who oversee the incident response protocol. Staff met with the Personnel Department's primary cybersecurity officer, who also offered to assist with reviewing potential vendors' cybersecurity policies in the future.

Submitted by: Eric Lan, Benefits Analyst

Reviewed by: Esther Chang, DC Plan Manager

# Securing today. Protecting tomorrow.



# Cybersecurity alignment with DOL

- ✓ Cybersecurity program best practices
- ✓ Online security tips
- ✓ Hiring a service provider



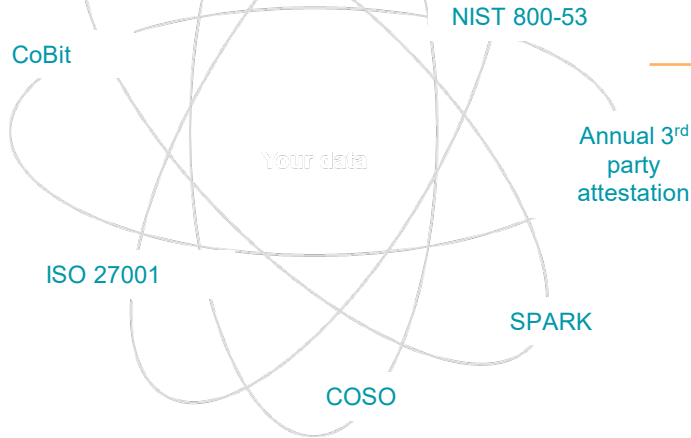
Voya received ISO/IEC 27001:2013 certification, which is a security framework created by the International Organization for Standardization that assesses a company's ability to manage trusted information in the areas of confidentiality, integrity and availability and to keep its data safe. To achieve this certification, Voya completed a comprehensive audit to verify that we comply with ISO/IEC 27001:2013's 114 control objectives and clauses.

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# Cybersecurity is just one part of information security

## Components of Voya's Cybersecurity program



## Comprehensive Information Security



# Voya's approach to Cybersecurity



Dedicated & certified  
information security  
professionals employed



SOC 1 & SOC 2  
ISO 27001 certified



Layers of defense  
Multi-factor authentication,  
encryption, mobile and call center  
voice biometrics and more

# Fraud prevention in action

*“Hi, this is Teri. I’d like to make a bank change...”*



**New bank location:**  
**Alexandria, VA (22121)**

**ACH routing location**  
is **1,185 miles** from  
home address



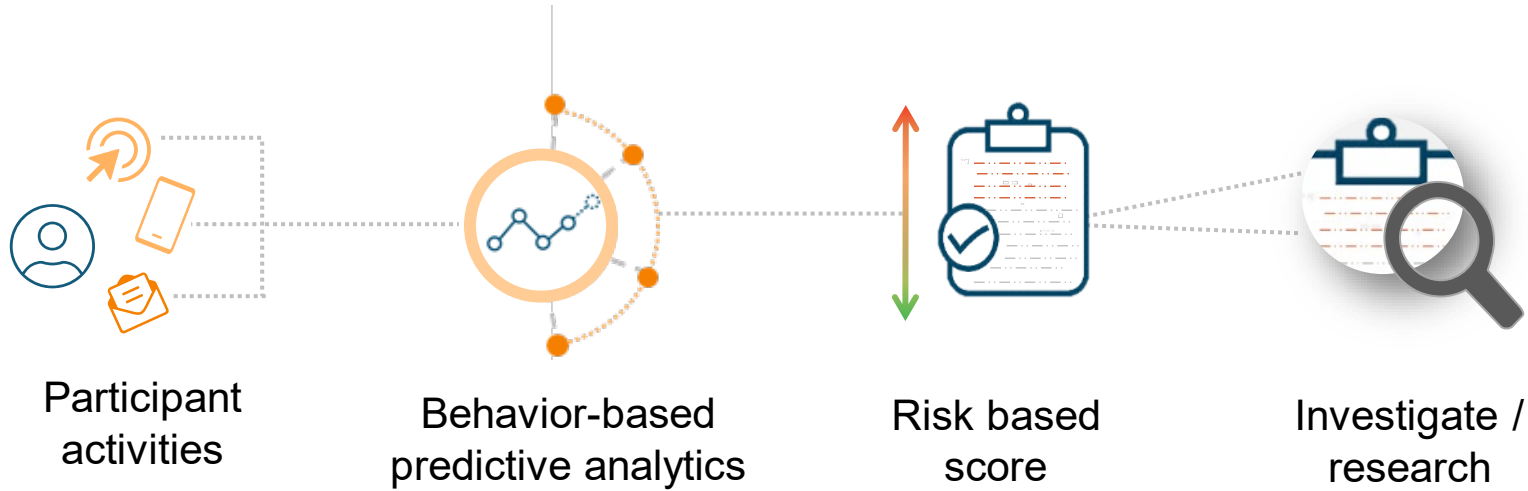
**Outside**  
**safe radius**

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# Leveraging AI to help keep accounts safe





# Voya's S.A.F.E.™ Guarantee



**Cyber security + fraud prevention**

**S.A.F.E.** *“Secure Accounts for Everyone”*

Visit <https://www.voya.com/articles/safe-guarantee> for more information on our S.A.F.E. Guarantee.  
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