



CYBERSECURITY

[Financial Conduct Authority Warns Banking Industry of ICOs and Cryptocurrency](#)

Writing a “Dear CEO” letter to banking executives, the Financial Conduct Authority (FCA) warned executives on June 11, 2018, to perform enhanced due diligence on clients who use or trade cryptocurrency for business transactions. The letter urges banks to check the use and value of cryptocurrencies in the same manner as banks check their clients’ other sources of wealth.

The tone of the letter was to warn banks that clients who use cryptocurrencies or invest in initial coin offerings may be doing so anonymously and therefore, such transactions are suspect. The FCA suggested that banks review their existing compliance frameworks to account for new transactions that are associated with abuse. It said “this class of product can also be abused because it offers potential anonymity and the ability to move money between countries.” [Read more](#)

[MA Clean Energy Center Victim of Wire Fraud](#)

A recent State audit has discovered that the Massachusetts Clean Energy Center wired \$93,679 to a cyber-criminal in February 2017 and didn’t advise its board about the incident for seven months. Following the audit, the auditor recommended that the agency conduct a risk assessment, develop written policies and procedures to address the potential for cybercrime, and report incidents to the board and to law enforcement. [Read more](#)

VIRTUAL CURRENCY

[Rumor Mill Suggests Fidelity Investments Might Open Cryptocurrency Exchange](#)

While many traditional financial institutions hesitate to embrace cryptocurrencies such as bitcoin, a recent news report suggests that

June 14, 2018

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Fidelity Investments, the fourth largest U.S. asset manager, is looking to enter the fray. *Business Insider* reported last week that Fidelity has posted internal job listings for systems engineers “to help engineer, create, and deploy a digital asset exchange to both a public and private cloud.” Another job listing looked for experience related to “first-in-class custodian services for bitcoin and other digital currencies.” Commentators note that it makes sense that Fidelity would want to make cryptocurrencies available to its sizeable customer base, many of whom might be hesitant to trust lesser-known exchanges such as Coinbase. [Read more](#)

[Wells Fargo Prohibits Customers from Using Credit Cards to Buy Cryptocurrency](#)

Wells Fargo & Co. announced this week, that it will not allow customers to buy cryptocurrency with its credit cards. This follows other banks’ prohibitions on the use of credit cards for the purchase of cryptocurrency over the past several months. Some surmise that the prohibition is due to the volatility in the price of cryptocurrencies, like bitcoin, that could put customers at risk of being unable to pay the credit card bill after a significant down swing in the price of the cryptocurrency. [Read more](#)

[Bitfinex Stops Trading After Cyber-Attack](#)

Bitfinex, a global digital currency exchange, paused trading last week when it experienced a distributed denial-of-service attack. During the pause in trading, it announced to users that “Bitfinex is currently under extreme load. We are investigating the issue and will keep you all up to date as we learn more.” [Read more](#)

DRONES

[Lawmakers Push for Legislation to Heed Threats Posed by Drones](#)

Last week, federal officials testified at a Senate Homeland Security and Governmental Affairs hearing that the statutes that constrict the government’s ability to counter reckless or malicious drone use, including the ability to test and research different methods of counter-UAS technology, are outdated. From the use of drones to deliver explosives by Islamic State and other international terrorist groups to drug traffickers in the United States, U.S. law seems to be falling behind, federal officials said. Undersecretary of Intelligence and Analysis at the Department of Homeland Security (DHS) David Glawe said, “This threat is real. We are witnessing a constant evolution in the danger posed by drones as the technology advances and becomes more available and affordable worldwide.” In response to

this testimony, Chairman Ron Johnson said he hopes to attach legislation to this year's defense authorization bill that will provide law enforcement agencies with the authority to defend against malicious drones in U.S. skies. [Read more](#)

[Drone Helps to Discover \\$17 Billion in Sunken Treasure](#)

In the early 18th century the San Jose, one of the largest treasure ships in the Spanish fleet, sank to the bottom of the ocean as a result of a battle in the War of Spanish Succession. The San Jose housed treasure valued at around \$17 billion in today's dollars. Since its demise, this shipwreck has been one of the most sought-after treasures. After years of looking for this valuable wreck, an autonomous underwater vehicle (AUV or underwater drone) was finally able to discover it. [Read more](#)

PRIVACY TIP #143

[North Korea/U.S. Summit Gift Bags Remind Us of Dangers of USB Devices](#)

This week's privacy tip focuses on malware that could infect USB drives and also USB accessories. [Read more](#)

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