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## sec cyber unit & task force

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### *MSK Client Alert*

October 6, 2017

With increased attention to how securities laws may apply to digital token sales and the disruptive nature of increased cyber threats to the investor community, the Securities Exchange Commission ("SEC") last week announced two new initiatives. The SEC's press release, found [here](#), outlined the creation of the Cyber Unit ("Unit") and the Retail Strategy Task Force ("RSTF").

According to the press release the Unit will focus the Enforcement Division's substantial cyber-related expertise on targeting cyber-related misconduct, including:

- Market manipulation schemes involving false information spread through electronic and social media
- Hacking to obtain material nonpublic information
- Violations involving distributed ledger technology and initial coin offerings
- Misconduct perpetrated using the dark web
- Intrusions into retail brokerage accounts
- Cyber-related threats to trading platforms and other critical market infrastructure

The Unit will operate as a working group to "coordinate information sharing, risk monitoring, and incident response efforts." Robert A. Cohen, the former co-chief of the SEC's Market Abuse Unit, will lead The Unit.

Separately, the RSTF has been established to "develop proactive, targeted initiatives to identify misconduct impacting retail investors."

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