

Discover more 

DOW JONES

THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<http://www.wsj.com/articles/security-risks-get-wealthy-families-attention-1418315508>

WEEKEND INVESTOR

Security Risks Get Wealthy Families' Attention

Some Hire Consultants to Secure Homes, Vet Staff and Protect Financial Information

By **LIZ MOYER**

Dec. 11, 2014 11:31 a.m. ET

It's a dangerous world, no matter how much money you have.

Wealth advisers say their rich clients are increasingly asking for help securing homes, vetting household staff, setting up security for travel and guarding personal and financial information online.

“They can run a billion-dollar company, but when it comes to solving a driver issue or firing the pool boy, they are stymied,” says Teresa Leigh, a Raleigh, N.C., consultant who helps families with at least \$100 million in assets set up human-resources functions to manage their household and personal staffs.

ACE Private Risk Services, a unit of insurer ACE Group, refers its high-net-worth clients to the Guidry Group, a Montgomery, Texas-based firm that conducts everything from household-staff background checks to social-media security assessments and stalker deterrence.

The referral is free or discounted based on the property-insurance premiums ACE clients pay, says David Spencer, who runs the insurer's premier-client group.

“We want to heighten the awareness of security,” he says.

American International Group's Private Client Group assigns a dedicated risk manager

to its clients who pay \$250,000 or more in annual insurance premiums.

The group has planned and carried out the transport of a client's artwork from one place to another, and last summer hired a security team to accompany a family who were taking a cruise on their yacht from Mexico to Brazil for the World Cup.

Chicago-based Hillard Heintze works with clients of private banks and wealth advisers and does detailed household-staff screenings for \$4,000 and up.

The firm, which was founded by a former U.S. Secret Service agent and a former Chicago police superintendent, also will sweep a home for hidden audio or video monitoring devices for about \$2,000 a room or \$10,000 for a whole house. It also devises family emergency plans for \$7,500, including "go packs" filled with food, money, clothing and a satellite phone.

One of the services offered by New York-based Risk Control Strategies is analyzing travel itineraries and making security recommendations. Demand has been growing, the firm says.

In 2011, it reviewed 141 itineraries at a cost of \$750 each. Last year, it looked over 491. So far this year, it has done 549. One of the biggest concerns: arranging reliable local ground transportation to minimize the risk of kidnapping, says Paul Viollis, the firm's founder.

Earlier this year, Morgan Stanley's lifestyle advisory-services group—an internal concierge service that works with the advisers to some of the bank's wealthiest clients—fielded a call from an entertainer who was startled by a knock on the door of his Beverly Hills, Calif., home. Waiting outside his door was a fan who had evidently scaled his property's perimeter wall to get an autograph.

Morgan Stanley put the client in touch with an outside security firm to comb through his house and property and his personal records to pinpoint potential security breaches.

The bank also advised a client worth \$2 billion on installing biometric security technology for his home, says Deanna Rodriguez, executive director of the lifestyle advisory group. Overall, the group has seen an increase in requests for security help to 78 calls last year from 38 in 2009. So far this year, it has had 89.

Families that run their own investment offices have another issue: how to secure financial information from the prying eyes of cybercriminals.

Data encryption and round-the-clock system monitoring for intruders can run



Rich families can hire a variety of firms for assistance maintaining security at home and away. Here, a protective fence at a home in Jupiter Island, Fla., in 2006. *ASSOCIATED PRESS*

anywhere from \$20,000 to \$50,000 a year, says Christopher Falkenberg, another former Secret Service agent, who runs New York-based Insite Security.

In an annual survey released this year by Bank of America's U.S. Trust private-banking division, 69% of high-net-worth people said they were concerned about the security of their financial information. In households with more than \$10 million of financial assets, 40% of survey respondents said they had made changes to protect their assets.

In September, UBS's private U.S. wealth-management division, which works with people who have \$10 million or more, rolled out a new online-security program from MetLife that tracks a family or individual's online information—everything from personal, financial and medical information to a child's social-media usage.

For \$495 a year for a family, or \$245 for an individual, the MetLife Defender software will detect and remove or block suspicious activity, continually monitor credit, check on a child's social-media activity for cyberbullying or predatory activity, and pay to fix credit or reputational issues that arise online.

At Citigroup, whose Citi Private Bank unit is geared toward those with \$25 million and

up, clients around the country have flocked to lunch and dinner seminars to hear Federal Bureau of Investigation agents and other law-enforcement officials talk about Internet security and how to prevent online fraud.

“What grabs people’s attention is how easy it is to get information off of the Internet,” says Harsh Kumar, the global chief operating officer of Citi Private Bank.

Write to Liz Moyer at liz.moyer@wsj.com

Copyright 2014 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.