



## SPRING 2014 E-NEWSLETTER

At Digital Mountain we assist our clients with their cyber security, e-discovery and computer forensics needs. With the recent data security breaches making headlines, and affecting millions, we chose to theme our Spring 2014 E-Newsletter on how to protect your personal and professional data and digital assets.

### WHO'S REACHING INTO YOUR DIGITAL WALLET? PROTECTING YOUR PERSONAL ASSETS

The catchy phrase by Capital One of "What's in your wallet?" has now transformed into Digital Mountain's question of "Who's reaching into your digital wallet?" With the increasing popularity of bitcoin - the unregulated peer-to-peer digital currency - companies and individuals alike now have to be mindful of who wants part of their digital profits. Some argue that bitcoin, created in 2009, is the only viable future for currency exchange in the modern age. Whether or not you agree with that statement, one thing is true: digital currency is picking up a lot of traction, and with that traction come concerns of data security.



The move from Overstock.com to accept bitcoin shows that even large retailers are starting to acknowledge the revenue opportunities of payment in digital currency. The website reported an excess of \$1M in bitcoin transactions from the beginning of January 2014 to the end of February 2014 alone. But Overstock.com is not the only one wanting in on the profits of the digital exchange. So too does Uncle Sam.

The Internal Revenue Service recently announced that it will start taxing digital money. Although the IRS does not recognize virtual currency as a legal tender, they now view it, and will now tax it, as property. [However, with technology typically being one step - or many - ahead of the government, it is more than likely that the industry will continue to create ways of concealing digital money (equivalent to stashing Fiat currency in offshore bank accounts). After all, one of the reasons a lot of bitcoin miners and traders entered the exchange was because of the anonymity it carries since the names of buyers and sellers are not revealed in public logs.] So the question becomes, what jurisdiction will the government assert to make sure that companies and individuals report digital gains on their tax returns? However, jurisdiction is not the only concern for bitcoin.

Not only are retailers and Uncle Sam wanting to reach into your digital wallet, but so too are hackers, or even quite possibly the IT professional working to repair your laptop. Aside from the few bitcoins that have been privately minted, the currency exists almost entirely in the digital world. Computers or mobile apps send and receive bitcoins and are kept in digital wallets and stored either on a user's computer or in the cloud. So if the Syrian Electronic Army wants in on your digital profits, the issue exists between you and them. There is no bank or credit card company guaranteeing your protection from fraudulent charges or theft. For this reason, protecting your digital assets against bitcoin-mining malware becomes that much more important.

While most bitcoin exchanges are pretty secure, not all are - as exemplified in the case of MtGox. MtGox filed for bankruptcy and declared that it lost 650,000 bitcoins, reportedly valued at around \$377M. There are many steps that experts recommend individuals and companies can take to protect their digital wallets. *We at Digital Mountain know that protecting your digital wallet is just one of the many reasons that individuals and companies are concerned about data security. That's why our team of professionals work closely with our clients on proactive data security management to both avoid and to handle data security breaches.*

## UPCOMING INDUSTRY EVENTS

### April

EDRM 2014-2015 Kickoff Meeting: April 22 - 24

ACEDS 2014 E-Discovery Conference & Exhibition: April 27 - 29

### May

E-Discovery 2014 National Institute: May 15 - 16

***[Click here to see more upcoming events and links](#)***



*Digital Mountain, Inc. Founder and CEO, Julie Lewis, will be presenting at some upcoming industry events. Please send requests for speaker or panel participation for her to [marketing@digitalmountain.com](mailto:marketing@digitalmountain.com).*

Know someone looking for work in the e-discovery, computer forensics and cyber security industries, with entrepreneurial characteristics? If so, please share this great job opportunity with them: Seeking a Business Development Associate to join our energetic team. ***[Read more...](#)***

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