

Fighting Fraud

Better protect your business to mitigate financial loss.



71% of organizations fell victim to payments fraud attacks in 2021. ¹Companies worldwide lost over \$3.6 billion to fraud.²

Fraud is persistent and it's more important than ever to protect your business. Avoid financial impact and safeguard your assets by implementing solid work-flows, educating your team, and using fraud mitigation tools.

► Fraud Prevention Best Practices

Employee Training

- Regular training on work-flows, protocols, and systems
- Identifying Phishing attempts and recognizing business email compromise
- Encourage employees to trust their gut

Internal Controls and Policies

When processing payments:

- Follow predefined payment instructions and properly verify changes
- Verify legitimacy and then validate changes to existing invoices, bank deposit info, and contact info
- Perform call back verification for fund transfer requests using phone numbers on file, NOT numbers in an email
- Prohibit fund transfer requests received via email or other less secure messaging systems
- Payments over a specified threshold should require authorization from senior management

Overall:

- Require multi-factor authentication for access to company networks and payment initiation
- Strictly limit the number of employees who have the authority to approve and/or process payments
- Segregate duties and limit employees who process collections, disbursements, and reconciliation
- Daily reconciliation of accounts
- Lock up check stock
- Lock laptops when not in use

Safeguard Your Payments

Checks:

- Minimize checks
- Use tools and software to mitigate risk

ACH:

- Dual control for ACH file initiation
- Block all ACH debits except for a single account set up

Wire:

- Never approve unless all verifications are completed
- Require dual approval and carefully review those with:
 - A dollar amount over a specific limit
 - New trading partners
 - Trading partners not on the approved list
 - New bank and/or account numbers for current trading partners
 - International Wires

How we can help

Commercial One Card:

- Minimize risk and liability by reducing check payments

Integrated Payables:

- Securely and easily make vendor payments in the form of virtual card, ACH, and check, all through one platform

Check Positive Pay:

- Verifies checks being presented for payment against checks previously issued by your business

ACH Positive Pay:

- Payments outside of set parameters will be flagged for review and can be accepted or rejected

InBusiness:

- Easily manage business finances from anywhere at any time
- Never miss a transaction with alerts
- Securely manage and send wires

▶ Red Flags to Help Detect Fraud

Check Fraud

- Payee mismatch
- Incorrect amount
- Check number jump
- Duplicate checks
- Check stock inventory

Insider Fraud

- Prior convictions
- Financial difficulties
- Living beyond means
- Won't share duties
- Refuses PTO

ACH Fraud

- Unauthorized debits
- Incorrect amount
- Inactive account

Ransomware Vulnerabilities

- Outdated software
- Unrestricted user access
- Ineffective firewall
- Automatic download
- Unscanned email

Business Email Compromise

- Email grammar
- Payee changes
- Urgency
- Contact information change
- Suspicious documents

- ▶ For more information contact your banker or visit citywidebanks.com

