

# Fighting Fraud

Better protect your business to mitigate financial loss.



65% of organizations fell victim to payments fraud attacks in 2022. <sup>1</sup>Companies worldwide lost over \$3.6 billion to fraud.<sup>2</sup> 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 [firstbanktexas.com](https://firstbanktexas.com)



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