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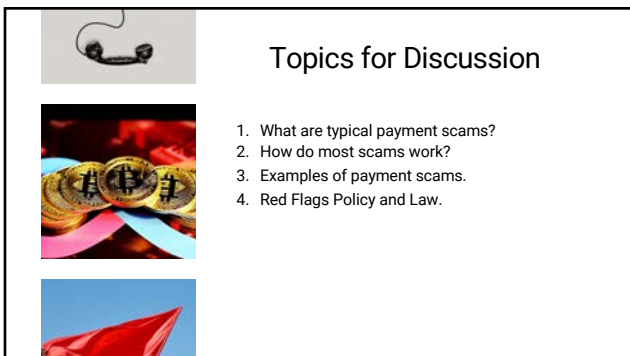
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### 2021 Association For Professionals Survey

- 65% of treasury and finance professionals believe that the COVID-19 pandemic is to blame for some of the uptick in payments fraud at their companies.
- The survey also found that business email compromise continues to be the primary source for attempted or actual payments fraud at 62% of companies.

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### 2021 Association For Professionals Survey

- Accounts Payable departments are the most susceptible to business email fraud. Sixty-one percent of respondents report that their Accounts Payable department is most often vulnerable to business email compromise.

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### Examples of Recent Scams:

- Customer sets up credit account with Supplier of product.
- All account information looks legitimate.
- Account is opened.
- Product is ordered and delivered.
- Some payment is made.
- Additional product is ordered and delivered.
- Some payment is made.
- More product is ordered and delivered.
- Communication with customer stops.
- Creditor pursues payment.
- Customer reports that the account has been used without their permission.

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**Examples of Recent Scams:**

- Most scammers try paying using methods of payment that cannot be traced.

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**Examples of Recent Scams:**

- Customer orders merchandise/supplies from Company.
- Arranges to pick them up at the counter.
- Pays by credit or debit card that is not their own.
- Sale goes through.
- Payment processing rejects the sale after customer has left.

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**Examples of Recent Scams:**

Overpayment Scam

- Customer sends a PayPal or other electronic payment that is more than the purchase price of the order. Customer asks you to wire them the difference.
- Often times the scammer has paid with a stolen credit card, bank account number or checking account.

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**Examples of Recent Scams:**

- Customer orders materials/supplies and directs that the shipment be sent to a location different than their location. Often times this is far outside your normal area of service or
- Customer orders materials/supplies and directs the shipment be sent to their location. After the order goes through, the customer calls and asks the shipment be sent to another location.
- Customer pays with a stolen card.

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**Examples of Recent Scams:**

- Customer orders materials/supplies.
- Customer opens bank account with insufficient funds but the check has not cleared yet.
- Customer writes several checks for amounts under \$500.00.
- Checks eventually bounce.

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**Examples of Recent Scams:**

- **Re-shipping scheme:** An individual or company is recruited to receive merchandise at their place of residence/business and subsequently repackage the items for shipment.
- Unbeknownst to them, the merchandise was purchased with fraudulent credit cards, often opened in their name.

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### Examples of Recent Scams:

- **Wiring Funds:** Company is to wire funds for payment. The creditor sends wiring instructions to the paying company. The email that is used to send the wiring instructions is intercepted and changed before being received by the paying company.
- Paying company does not verify the wire instructions by phone before sending.
- Funds are wired to wrong account and likely gone.

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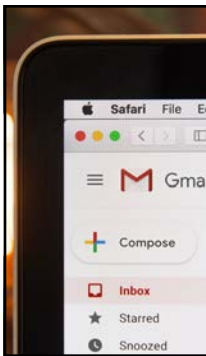
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### Examples of Recent Scams:

- Purchase Order Scam:
- Existing Customer with Creditor
- Creditor receives a Purchase Order from what appears to be an existing customer by email
- Purchase Order "delivery" address is different than the address of the company.
- Email used for the customer was off by 1 letter

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### Proactive Tips

- Use your instinct.
- Be on the lookout for odd transactions and the explanation of it.
- Use your wisdom and experience.
- Look at the details.
- Act quickly.

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### Federal Law Red Flags

- What Constitutes Red Flags?
  - The regulations define Red Flag as a pattern, practice, or specific activity that indicates the possible risk of identity theft.

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### Federal Law Red Flags

- The Red Flags Rule requires creditors that offer or maintain accounts to adopt a written identify theft prevention program to:
  - DETECT warning signs of identify theft;
  - PREVENT identify theft within reason with steps impacting day to day operations; and
  - MITIGATE any damage caused.

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### Federal Law Red Flags

- Creditors are likely to detect Red Flags during the process of:
  - Opening New Accounts
  - Billing for equipment, services, etc.
  - Reviewing records of the customer
  - Customer Service
  - Collecting Past Due Accounts

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### Federal Law Red Flags

- Creditors Need to Take Five Steps:
  1. Identify the Red Flags for your business;
  2. Set up procedures to detect Red Flags;
  3. Respond to Red Flags to prevent theft or mitigate damages
  4. Update your Identify Theft Detection and Prevention Program as needed to keep current; and
  5. Educate your employees

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### Federal Law Red Flags

- Identifying Red Flags
  - Suspicious documents
  - Suspicious personal identifying information
  - Suspicious account activity
  - Notice from other industry sources

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### Federal Law Red Flags

- Identifying Red Flags
  - Suspicious documents
  - Photograph not matching
  - Appearance of forgery or altered documents
  - Information does not match

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### Federal Law Red Flags

- Identifying Red Flags
  - Suspicious personal identifying information
  - Address is fictitious or different than normal
  - Phone number invalid
  - Social security number not matching
  - Information is inconsistent with other information on file

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### Federal Law Red Flags

- Identifying Red Flags
  - Suspicious account activity
  - Mail returned repeatedly as undeliverable with account activity continuing
  - Inconsistent and unusual account activity

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### Federal Law Red Flags

- Identifying Red Flags
  - Notice from other industry sources
  - Notice from the customer, law enforcement, etc of possible identify theft
  - Complaints from the customer
  - Sharing of information in industry group meetings

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### Prevent and Mitigate

- Notify the correct person within your company when you encounter:
  - Suspicious documents
  - Suspicious personal identifying information;
  - Suspicious account activity; or
  - Information from other sources

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### Questions?

If you have any questions or comments, please let us know.

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