

FRAUD PREVENTION BEST PRACTICES

Corporate Fraud Costs Businesses Hundreds of Billions a Year

Seemingly ubiquitous, it can occur in many ways and targets every industry. As corporate fraud tactics evolve, businesses must embrace a range of approaches and technologies to protect themselves from financial loss and other threats.

1. **Educate employees about fraud awareness and prevention practices** to safeguard against phishing attempts and malware infections through risky internet usage.
2. **Implement systematic and manual fraud prevention policies** across your business, such as strict password criteria, acceptable mobile device usage, movement of funds controls and limiting administrative privileges, when prudent.
3. **Regularly install security updates and anti-virus software**, along with performing frequent system scans for threats.
4. **Educate employees about Business Email Compromise (BEC) scams** and perform periodic phishing exercises to help employees remain vigilant with suspicious emails.
5. **Implement movement of funds controls**, such as transaction limits and dual approval processes, to protect against unauthorized transactions.
6. **Segregate duties** pertaining to financially sensitive actions and information.
7. **Reconcile accounts on a daily basis** and utilize notifications for alerts on transaction status changes and out-of-pattern activity.
8. **Avoid sending financial information via unencrypted email**, which is insecure and easily compromised.
9. **Establish mobile device policies.** Instruct employees to not store sensitive files on mobile devices, to avoid using unsecured public Wi-Fi connections, to protect devices with multi-factor authentication (challenge questions, one time passwords, device ID, biometrics, etc.) and to use devices with intact manufacturers' controls.
10. **Stay up-to-date on emerging threats** through government and industry resources, such as the U.S. Department of Treasury Financial Crimes Enforcement Network, the Federal Reserve FedPayments Improvement community and the American Bankers Association.